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**ONE HUNDRED FIRST GENERAL
ASSEMBLY**

56TH LEGISLATIVE DAY

SUNDAY, JUNE 2, 2019

2:03 O'CLOCK P.M.

SENATE
Daily Journal Index
56th Legislative Day

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PERFUNCTORY SESSION

The Senate met in perfunctory session pursuant to the directive of the President.
Pursuant to Senate Rule 2-5(c)2, the Secretary of the Senate conducted the perfunctory session.

MESSAGE FROM THE PRESIDENT

**OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS**

JOHN J. CULLERTON
SENATE PRESIDENT

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

June 2, 2019

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 2-10, I am scheduling a Perfunctory Session to convene on June 2, 2019.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

MESSAGES FROM THE HOUSE

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 75

A bill for AN ACT concerning employment.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 75

Passed the House, as amended, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 75

AMENDMENT NO. 1. Amend Senate Bill 75 by replacing everything after the enacting clause with the following:

"Article 1.

Section 1-1. Short title. This Article may be cited as the Workplace Transparency Act. References in this Article to "this Act" mean this Article.

Section 1-5. Purpose. This State has a compelling and substantial interest in securing individuals' freedom from unlawful discrimination and harassment in the workplace. This State also recognizes the right of parties to freely contract over the terms, privileges and conditions of employment as they so

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choose. The purpose of this Act is to ensure that all parties to a contract for the performance of services understand and agree to the mutual promises and consideration therein, and to protect the interest of this State in ensuring all workplaces are free of unlawful discrimination and harassment.

Section 1-10. Application.

(a) This Act does not apply to any contracts that are entered into in and subject to the Illinois Public Labor Relations Act or the National Labor Relations Act. If there is a conflict between any valid and enforceable collective bargaining agreement and this Act, the collective bargaining agreement controls.

(b) This Act shall have no effect on the determination of whether an employment relationship exists for the purposes of other State or federal laws, including, but not limited to, the Illinois Human Rights Act, the Workers' Compensation Act, the Unemployment Insurance Act, and the Illinois Wage Payment and Collection Act.

(c) This Act applies to contracts entered into, modified, or extended on or after the effective date of this Act.

Section 1-15. Definitions. As used in this Act:

"Employee" has the same meaning as set forth in Section 2-101 of the Illinois Human Rights Act. "Employee" includes "nonemployees" as defined in Section 2-102 of the Illinois Human Rights Act.

"Employer" has the same meaning as set forth in Section 2-101 of the Illinois Human Rights Act.

"Mutual condition of employment or continued employment" means any contract, agreement, clause, covenant, or waiver negotiated between an employer and an employee or prospective employee in good faith for consideration in order to obtain or retain employment.

"Prospective employee" means a person seeking to enter an employment contract with an employer.

"Settlement agreement" means an agreement, contract, or clause within an agreement or contract entered into between an employee, prospective employee, or former employee and an employer to resolve a dispute or legal claim between the parties that arose or accrued before the settlement agreement was executed.

"Termination agreement" means a contract or agreement between an employee and an employer terminating the employment relationship.

"Unlawful employment practice" means any form of unlawful discrimination, harassment, or retaliation that is actionable under Article 2 of the Illinois Human Rights Act, Title VII of the Civil Rights Act of 1964, or any other related State or federal rule or law that is enforced by the Illinois Department of Human Rights or the Equal Employment Opportunity Commission.

"Unilateral condition of employment or continued employment" means any contract, agreement, clause, covenant, or waiver an employer requires an employee or prospective employee to accept as a non-negotiable material term in order to obtain or retain employment.

Section 1-20. Reporting of allegations. No contract, agreement, clause, covenant, waiver, or other document shall prohibit, prevent, or otherwise restrict an employee, prospective employee, or former employee from reporting any allegations of unlawful conduct to federal, State, or local officials for investigation, including, but not limited to, alleged criminal conduct or unlawful employment practices.

Section 1-25. Conditions of employment or continued employment.

(a) Any agreement, clause, covenant, or waiver that is a unilateral condition of employment or continued employment and has the purpose or effect of preventing an employee or prospective employee from making truthful statements or disclosures about alleged unlawful employment practices is against public policy, void to the extent it prevents such statements or disclosures, and severable from an otherwise valid and enforceable contract under this Act.

(b) Any agreement, clause, covenant, or waiver that is a unilateral condition of employment or continued employment and requires the employee or prospective employee to waive, arbitrate, or otherwise diminish any existing or future claim, right, or benefit related to an unlawful employment practice to which the employee or prospective employee would otherwise be entitled under any provision of State or federal law, is against public policy, void to the extent it denies an employee or prospective employee a substantive or procedural right or remedy related to alleged unlawful employment practices, and severable from an otherwise valid and enforceable contract under this Act.

(c) Any agreement, clause, covenant, or waiver that is a mutual condition of employment or continued employment may include provisions that would otherwise be against public policy as a unilateral condition of employment or continued employment, but only if the agreement, clause, covenant, or waiver is in

writing, demonstrates actual, knowing, and bargained-for consideration from both parties, and acknowledges the right of the employee or prospective employee to:

- (1) report any good faith allegation of unlawful employment practices to any appropriate federal, State, or local government agency enforcing discrimination laws;
 - (2) report any good faith allegation of criminal conduct to any appropriate federal, State, or local official;
 - (3) participate in a proceeding with any appropriate federal, State, or local government agency enforcing discrimination laws;
 - (4) make any truthful statements or disclosures required by law, regulation, or legal process; and
 - (5) request or receive confidential legal advice.
- (d) Failure to comply with the provisions of subsection (c) shall establish a rebuttable presumption that the agreement, clause, covenant, or waiver is a unilateral condition of employment or continued employment that is governed by subsections (a) or (b).
- (e) Nothing in this Section shall be construed to prevent an employee or prospective employee and an employer from negotiating and bargaining over the terms, privileges, and conditions of employment.

Section 1-30. Settlement or termination agreements.

(a) An employee, prospective employee, or former employee and an employer may enter into a valid and enforceable settlement or termination agreement that includes promises of confidentiality related to alleged unlawful employment practices, so long as:

- (1) confidentiality is the documented preference of the employee, prospective employee, or former employee and is mutually beneficial to both parties;
 - (2) the employer notifies the employee, prospective employee, or former employee, in writing, of his or her right to have an attorney or representative of his or her choice review the settlement or termination agreement before it is executed;
 - (3) there is valid, bargained for consideration in exchange for the confidentiality;
 - (4) the settlement or termination agreement does not waive any claims of unlawful employment practices that accrue after the date of execution of the settlement or termination agreement;
 - (5) the settlement or termination agreement is provided, in writing, to the parties to the prospective agreement and the employee, prospective employee, or former employee is given a period of 21 calendar days to consider the agreement before execution, during which the employee, prospective employee, or former employee may sign the agreement at any time, knowingly and voluntarily waiving any further time for consideration; and
 - (6) unless knowingly and voluntarily waived by the employee, prospective employee, or former employee, he or she has 7 calendar days following the execution of the agreement to revoke the agreement and the agreement is not effective or enforceable until the revocation period has expired.
- (b) An employer may not unilaterally include any clause in a settlement or termination agreement that prohibits the employee, prospective employee, or former employee from making truthful statements or disclosures regarding unlawful employment practices.

(c) Failure to comply with the provisions of this Section shall render any promise of confidentiality related to alleged unlawful employment practices against public policy void and severable from an otherwise valid and enforceable agreement.

(d) Nothing in this Section shall be construed to prevent a mutually agreed upon settlement or termination agreement from waiving or releasing the employee, prospective employee, or former employee's right to seek or obtain any remedies relating to an unlawful employment practice claim that occurred before the date on which the agreement is executed.

Section 1-35. Costs and attorney's fees. An employee, prospective employee, or former employee shall be entitled to reasonable attorney's fees and costs incurred in challenging a contract for violation of this Act upon a final, non-appealable action in favor of the employee, prospective employee, or former employee on the question of the validity and enforceability of the contract.

Section 1-40. Right to testify. Notwithstanding any other law to the contrary, any agreement, clause, covenant, or waiver, settlement agreement, or termination agreement that waives the right of an employee, prospective employee, or former employee to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged unlawful employment practices on the part of the other party to the employment contract, settlement agreement, or termination agreement, or on the part of the party's agents or employees, when the employee, prospective employee, or former employee has

been required or requested to attend the proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature, is void and unenforceable under the public policy of this State. This Section is declarative of existing law.

Section 1-45. Limitations. This Act shall not be construed to limit an employer's ability to require the following to maintain confidentiality of allegations of unlawful employment practices made by others:

- (1) employees who receive complaints or investigate allegations related to unlawful employment practices as part of their assigned job duties, or otherwise have access to confidential personnel information as a part of their assigned job duties;
 - (2) an employee or third party who is notified and requested to participate in an open and ongoing investigation into alleged unlawful employment practices and requested to maintain reasonable confidentiality during the pendency of that investigation and thereafter;
 - (3) an employee or any third party who receives attorney work product or attorney-client privileged communications as part of any dispute, controversy, or legal claim involving an unlawful employment practice;
 - (4) any individual who by law is subject to a recognized legal or evidentiary privilege;
- or
- (5) any third party engaged or hired by the employer to investigate complaints of an unlawful employment practice.

Section 1-50. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Article 2.

Section 2-5. The Freedom of Information Act is amended by changing Section 7.5 as follows:
(5 ILCS 140/7.5)

Sec. 7.5. Statutory exemptions. To the extent provided for by the statutes referenced below, the following shall be exempt from inspection and copying:

- (a) All information determined to be confidential under Section 4002 of the Technology Advancement and Development Act.
- (b) Library circulation and order records identifying library users with specific materials under the Library Records Confidentiality Act.
- (c) Applications, related documents, and medical records received by the Experimental Organ Transplantation Procedures Board and any and all documents or other records prepared by the Experimental Organ Transplantation Procedures Board or its staff relating to applications it has received.
- (d) Information and records held by the Department of Public Health and its authorized representatives relating to known or suspected cases of sexually transmissible disease or any information the disclosure of which is restricted under the Illinois Sexually Transmissible Disease Control Act.
- (e) Information the disclosure of which is exempted under Section 30 of the Radon Industry Licensing Act.
- (f) Firm performance evaluations under Section 55 of the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act.
- (g) Information the disclosure of which is restricted and exempted under Section 50 of the Illinois Prepaid Tuition Act.
- (h) Information the disclosure of which is exempted under the State Officials and Employees Ethics Act, and records of any lawfully created State or local inspector general's office that would be exempt if created or obtained by an Executive Inspector General's office under that Act.
- (i) Information contained in a local emergency energy plan submitted to a municipality in accordance with a local emergency energy plan ordinance that is adopted under Section 11-21.5-5 of the Illinois Municipal Code.
- (j) Information and data concerning the distribution of surcharge moneys collected and remitted by carriers under the Emergency Telephone System Act.
- (k) Law enforcement officer identification information or driver identification information compiled by a law enforcement agency or the Department of Transportation under Section 11-212 of the Illinois Vehicle Code.

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(l) Records and information provided to a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.

(m) Information provided to the predatory lending database created pursuant to Article 3 of the Residential Real Property Disclosure Act, except to the extent authorized under that Article.

(n) Defense budgets and petitions for certification of compensation and expenses for court appointed trial counsel as provided under Sections 10 and 15 of the Capital Crimes Litigation Act. This subsection (n) shall apply until the conclusion of the trial of the case, even if the prosecution chooses not to pursue the death penalty prior to trial or sentencing.

(o) Information that is prohibited from being disclosed under Section 4 of the Illinois Health and Hazardous Substances Registry Act.

(p) Security portions of system safety program plans, investigation reports, surveys, schedules, lists, data, or information compiled, collected, or prepared by or for the Regional Transportation Authority under Section 2.11 of the Regional Transportation Authority Act or the St. Clair County Transit District under the Bi-State Transit Safety Act.

(q) Information prohibited from being disclosed by the Personnel ~~Record~~ ~~Records~~ Review Act.

(r) Information prohibited from being disclosed by the Illinois School Student Records Act.

(s) Information the disclosure of which is restricted under Section 5-108 of the Public Utilities Act.

(t) All identified or deidentified health information in the form of health data or medical records contained in, stored in, submitted to, transferred by, or released from the Illinois Health Information Exchange, and identified or deidentified health information in the form of health data and medical records of the Illinois Health Information Exchange in the possession of the Illinois Health Information Exchange Authority due to its administration of the Illinois Health Information Exchange. The terms "identified" and "deidentified" shall be given the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, or any subsequent amendments thereto, and any regulations promulgated thereunder.

(u) Records and information provided to an independent team of experts under the Developmental Disability and Mental Health Safety Act (also known as Brian's Law

).

(v) Names and information of people who have applied for or received Firearm Owner's Identification Cards under the Firearm Owners Identification Card Act or applied for or received a concealed carry license under the Firearm Concealed Carry Act, unless otherwise authorized by the Firearm Concealed Carry Act; and databases under the Firearm Concealed Carry Act, records of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act, and law enforcement agency objections under the Firearm Concealed Carry Act.

(w) Personally identifiable information which is exempted from disclosure under subsection (g) of Section 19.1 of the Toll Highway Act.

(x) Information which is exempted from disclosure under Section 5-1014.3 of the Counties Code or Section 8-11-21 of the Illinois Municipal Code.

(y) Confidential information under the Adult Protective Services Act and its predecessor enabling statute, the Elder Abuse and Neglect Act, including information about the identity and administrative finding against any caregiver of a verified and substantiated decision of abuse, neglect, or financial exploitation of an eligible adult maintained in the Registry established under Section 7.5 of the Adult Protective Services Act.

(z) Records and information provided to a fatality review team or the Illinois Fatality Review Team Advisory Council under Section 15 of the Adult Protective Services Act.

(aa) Information which is exempted from disclosure under Section 2.37 of the Wildlife Code.

(bb) Information which is or was prohibited from disclosure by the Juvenile Court Act of 1987.

(cc) Recordings made under the Law Enforcement Officer-Worn Body Camera Act, except to the extent authorized under that Act.

(dd) Information that is prohibited from being disclosed under Section 45 of the Condominium and Common Interest Community Ombudsperson Act.

(ee) Information that is exempted from disclosure under Section 30.1 of the Pharmacy Practice Act.

(ff) Information that is exempted from disclosure under the Revised Uniform Unclaimed

Property Act.

(gg) Information that is prohibited from being disclosed under Section 7-603.5 of the Illinois Vehicle Code.

(hh) Records that are exempt from disclosure under Section 1A-16.7 of the Election Code.

(ii) Information which is exempted from disclosure under Section 2505-800 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(jj) Information and reports that are required to be submitted to the Department of Labor by registering day and temporary labor service agencies but are exempt from disclosure under subsection (a-1) of Section 45 of the Day and Temporary Labor Services Act.

(kk) Information prohibited from disclosure under the Seizure and Forfeiture Reporting Act.

(ll) Information the disclosure of which is restricted and exempted under Section 5-30.8 of the Illinois Public Aid Code.

(mm) (H) Records that are exempt from disclosure under Section 4.2 of the Crime Victims Compensation Act.

(nn) (H) Information that is exempt from disclosure under Section 70 of the Higher Education Student Assistance Act.

(oo) Data reported by an employer to the Department of Human Rights pursuant to Section 2-108 of the Illinois Human Rights Act.

(Source: P.A. 99-78, eff. 7-20-15; 99-298, eff. 8-6-15; 99-352, eff. 1-1-16; 99-642, eff. 7-28-16; 99-776, eff. 8-12-16; 99-863, eff. 8-19-16; 100-20, eff. 7-1-17; 100-22, eff. 1-1-18; 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff. 8-28-17; 100-465, eff. 8-31-17; 100-512, eff. 7-1-18; 100-517, eff. 6-1-18; 100-646, eff. 7-27-18; 100-690, eff. 1-1-19; 100-863, eff. 8-14-18; 100-887, eff. 8-14-18; revised 10-12-18.)

Section 2-7. The Department of Professional Regulation Law of the Civil Administrative Code of Illinois is amended by changing Section 2105-15 as follows:

(20 ILCS 2105/2105-15)

Sec. 2105-15. General powers and duties.

(a) The Department has, subject to the provisions of the Civil Administrative Code of Illinois, the following powers and duties:

(1) To authorize examinations in English to ascertain the qualifications and fitness of applicants to exercise the profession, trade, or occupation for which the examination is held.

(2) To prescribe rules and regulations for a fair and wholly impartial method of examination of candidates to exercise the respective professions, trades, or occupations.

(3) To pass upon the qualifications of applicants for licenses, certificates, and authorities, whether by examination, by reciprocity, or by endorsement.

(4) To prescribe rules and regulations defining, for the respective professions, trades, and occupations, what shall constitute a school, college, or university, or department of a university, or other institution, reputable and in good standing, and to determine the reputability and good standing of a school, college, or university, or department of a university, or other institution, reputable and in good standing, by reference to a compliance with those rules and regulations; provided, that no school, college, or university, or department of a university, or other institution that refuses admittance to applicants solely on account of race, color, creed, sex, sexual orientation, or national origin shall be considered reputable and in good standing.

(5) To conduct hearings on proceedings to revoke, suspend, refuse to renew, place on probationary status, or take other disciplinary action as authorized in any licensing Act administered by the Department with regard to licenses, certificates, or authorities of persons exercising the respective professions, trades, or occupations and to revoke, suspend, refuse to renew, place on probationary status, or take other disciplinary action as authorized in any licensing Act administered by the Department with regard to those licenses, certificates, or authorities.

The Department shall issue a monthly disciplinary report.

The Department shall refuse to issue or renew a license to, or shall suspend or revoke a license of, any person who, after receiving notice, fails to comply with a subpoena or warrant relating to a paternity or child support proceeding. However, the Department may issue a license or renewal upon compliance with the subpoena or warrant.

The Department, without further process or hearings, shall revoke, suspend, or deny any license or renewal authorized by the Civil Administrative Code of Illinois to a person who is certified by the Department of Healthcare and Family Services (formerly Illinois Department of Public Aid) as

being more than 30 days delinquent in complying with a child support order or who is certified by a court as being in violation of the Non-Support Punishment Act for more than 60 days. The Department may, however, issue a license or renewal if the person has established a satisfactory repayment record as determined by the Department of Healthcare and Family Services (formerly Illinois Department of Public Aid) or if the person is determined by the court to be in compliance with the Non-Support Punishment Act. The Department may implement this paragraph as added by Public Act 89-6 through the use of emergency rules in accordance with Section 5-45 of the Illinois Administrative Procedure Act. For purposes of the Illinois Administrative Procedure Act, the adoption of rules to implement this paragraph shall be considered an emergency and necessary for the public interest, safety, and welfare.

(6) To transfer jurisdiction of any realty under the control of the Department to any other department of the State Government or to acquire or accept federal lands when the transfer, acquisition, or acceptance is advantageous to the State and is approved in writing by the Governor.

(7) To formulate rules and regulations necessary for the enforcement of any Act administered by the Department.

(8) To exchange with the Department of Healthcare and Family Services information that may be necessary for the enforcement of child support orders entered pursuant to the Illinois Public Aid Code, the Illinois Marriage and Dissolution of Marriage Act, the Non-Support of Spouse and Children Act, the Non-Support Punishment Act, the Revised Uniform Reciprocal Enforcement of Support Act, the Uniform Interstate Family Support Act, the Illinois Parentage Act of 1984, or the Illinois Parentage Act of 2015. Notwithstanding any provisions in this Code to the contrary, the Department of Professional Regulation shall not be liable under any federal or State law to any person for any disclosure of information to the Department of Healthcare and Family Services (formerly Illinois Department of Public Aid) under this paragraph (8) or for any other action taken in good faith to comply with the requirements of this paragraph (8).

(8.3) To exchange information with the Department of Human Rights regarding recommendations received under paragraph (B) of Section 8-109 of the Illinois Human Rights Act regarding a licensee or candidate for licensure who has committed a civil rights violation that may lead to the refusal, suspension, or revocation of a license from the Department.

(8.5) To accept continuing education credit for mandated reporter training on how to recognize and report child abuse offered by the Department of Children and Family Services and completed by any person who holds a professional license issued by the Department and who is a mandated reporter under the Abused and Neglected Child Reporting Act. The Department shall adopt any rules necessary to implement this paragraph.

(9) To perform other duties prescribed by law.

(a-5) Except in cases involving delinquency in complying with a child support order or violation of the Non-Support Punishment Act and notwithstanding anything that may appear in any individual licensing Act or administrative rule, no person or entity whose license, certificate, or authority has been revoked as authorized in any licensing Act administered by the Department may apply for restoration of that license, certification, or authority until 3 years after the effective date of the revocation.

(b) (Blank).

(c) For the purpose of securing and preparing evidence, and for the purchase of controlled substances, professional services, and equipment necessary for enforcement activities, recoupment of investigative costs, and other activities directed at suppressing the misuse and abuse of controlled substances, including those activities set forth in Sections 504 and 508 of the Illinois Controlled Substances Act, the Director and agents appointed and authorized by the Director may expend sums from the Professional Regulation Evidence Fund that the Director deems necessary from the amounts appropriated for that purpose. Those sums may be advanced to the agent when the Director deems that procedure to be in the public interest. Sums for the purchase of controlled substances, professional services, and equipment necessary for enforcement activities and other activities as set forth in this Section shall be advanced to the agent who is to make the purchase from the Professional Regulation Evidence Fund on vouchers signed by the Director. The Director and those agents are authorized to maintain one or more commercial checking accounts with any State banking corporation or corporations organized under or subject to the Illinois Banking Act for the deposit and withdrawal of moneys to be used for the purposes set forth in this Section; provided, that no check may be written nor any withdrawal made from any such account except upon the written signatures of 2 persons designated by the Director to write those checks and make those withdrawals. Vouchers for those expenditures must be signed by the Director. All such expenditures shall be audited by the Director, and the audit shall be submitted to the Department of Central Management Services for approval.

(d) Whenever the Department is authorized or required by law to consider some aspect of criminal history record information for the purpose of carrying out its statutory powers and responsibilities, then, upon request and payment of fees in conformance with the requirements of Section 2605-400 of the Department of State Police Law (20 ILCS 2605/2605-400), the Department of State Police is authorized to furnish, pursuant to positive identification, the information contained in State files that is necessary to fulfill the request.

(e) The provisions of this Section do not apply to private business and vocational schools as defined by Section 15 of the Private Business and Vocational Schools Act of 2012.

(f) (Blank).

(f-5) Notwithstanding anything that may appear in any individual licensing statute or administrative rule, the Department shall allow an applicant to provide his or her individual taxpayer identification number as an alternative to providing a social security number when applying for a license.

(g) Notwithstanding anything that may appear in any individual licensing statute or administrative rule, the Department shall deny any license application or renewal authorized under any licensing Act administered by the Department to any person who has failed to file a return, or to pay the tax, penalty, or interest shown in a filed return, or to pay any final assessment of tax, penalty, or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirement of any such tax Act are satisfied; however, the Department may issue a license or renewal if the person has established a satisfactory repayment record as determined by the Illinois Department of Revenue. For the purpose of this Section, "satisfactory repayment record" shall be defined by rule.

In addition, a complaint filed with the Department by the Illinois Department of Revenue that includes a certification, signed by its Director or designee, attesting to the amount of the unpaid tax liability or the years for which a return was not filed, or both, is prima facie evidence of the licensee's failure to comply with the tax laws administered by the Illinois Department of Revenue. Upon receipt of that certification, the Department shall, without a hearing, immediately suspend all licenses held by the licensee. Enforcement of the Department's order shall be stayed for 60 days. The Department shall provide notice of the suspension to the licensee by mailing a copy of the Department's order to the licensee's address of record or emailing a copy of the order to the licensee's email address of record. The notice shall advise the licensee that the suspension shall be effective 60 days after the issuance of the Department's order unless the Department receives, from the licensee, a request for a hearing before the Department to dispute the matters contained in the order.

Any suspension imposed under this subsection (g) shall be terminated by the Department upon notification from the Illinois Department of Revenue that the licensee is in compliance with all tax laws administered by the Illinois Department of Revenue.

The Department may promulgate rules for the administration of this subsection (g).

(h) The Department may grant the title "Retired", to be used immediately adjacent to the title of a profession regulated by the Department, to eligible retirees. For individuals licensed under the Medical Practice Act of 1987, the title "Retired" may be used in the profile required by the Patients' Right to Know Act. The use of the title "Retired" shall not constitute representation of current licensure, registration, or certification. Any person without an active license, registration, or certificate in a profession that requires licensure, registration, or certification shall not be permitted to practice that profession.

(i) The Department shall make available on its website general information explaining how the Department utilizes criminal history information in making licensure application decisions, including a list of enumerated offenses that serve as a statutory bar to licensure.

(Source: P.A. 99-85, eff. 1-1-16; 99-227, eff. 8-3-15; 99-330, eff. 8-10-15; 99-642, eff. 7-28-16; 99-933, eff. 1-27-17; 100-262, eff. 8-22-17; 100-863, eff. 8-14-18; 100-872, eff. 8-14-18; 100-883, eff. 8-14-18; 100-1078, eff. 1-1-19; revised 10-18-18.)

Section 2-10. The Uniform Arbitration Act is amended by changing Section 1 as follows:

(710 ILCS 5/1) (from Ch. 10, par. 101)

Sec. 1. Validity of arbitration agreement. A written agreement to submit any existing controversy to arbitration or a provision in a written contract to submit to arbitration any controversy thereafter arising between the parties is valid, enforceable and irrevocable save upon such grounds as exist for the revocation of any contract, including failure to comply with the terms of the Workplace Transparency Act, except that any agreement between a patient and a hospital or health care provider to submit to binding arbitration a claim for damages arising out of (1) injuries alleged to have been received by a patient, or (2) death of a patient, due to hospital or health care provider negligence or other wrongful act, but not including intentional torts, is also subject to the Health Care Arbitration Act.

(Source: P.A. 80-1012; 80-1031.)

[June 2, 2019]

Section 2-15. The Illinois Human Rights Act is amended by changing Sections 1-103, 2-101, 2-102, 7-109.1, 7A-102, and 8-109 and by adding Sections 2-108, 2-109, 2-110, and 8-109.1 as follows:

(775 ILCS 5/1-103) (from Ch. 68, par. 1-103)

Sec. 1-103. General definitions. When used in this Act, unless the context requires otherwise, the term:

(A) Age. "Age" means the chronological age of a person who is at least 40 years old, except with regard to any practice described in Section 2-102, insofar as that practice concerns training or apprenticeship programs. In the case of training or apprenticeship programs, for the purposes of Section 2-102, "age" means the chronological age of a person who is 18 but not yet 40 years old.

(B) Aggrieved party. "Aggrieved party" means a person who is alleged or proved to have been injured by a civil rights violation or believes he or she will be injured by a civil rights violation under Article 3 that is about to occur.

(C) Charge. "Charge" means an allegation filed with the Department by an aggrieved party or initiated by the Department under its authority.

(D) Civil rights violation. "Civil rights violation" includes and shall be limited to only those specific acts set forth in Sections 2-102, 2-103, 2-105, 3-102, 3-102.1, 3-103, 3-104, 3-104.1, 3-105, 3-105.1, 4-102, 4-103, 5-102, 5A-102, 6-101, and 6-102 of this Act.

(E) Commission. "Commission" means the Human Rights Commission created by this Act.

(F) Complaint. "Complaint" means the formal pleading filed by the Department with the Commission following an investigation and finding of substantial evidence of a civil rights violation.

(G) Complainant. "Complainant" means a person including the Department who files a charge of civil rights violation with the Department or the Commission.

(H) Department. "Department" means the Department of Human Rights created by this Act.

(I) Disability. "Disability" means a determinable physical or mental characteristic of a person, including, but not limited to, a determinable physical characteristic which necessitates the person's use of a guide, hearing or support dog, the history of such characteristic, or the perception of such characteristic by the person complained against, which may result from disease, injury, congenital condition of birth or functional disorder and which characteristic:

(1) For purposes of Article 2, is unrelated to the person's ability to perform the duties

of a particular job or position and, pursuant to Section 2-104 of this Act, a person's illegal use of drugs or alcohol is not a disability;

(2) For purposes of Article 3, is unrelated to the person's ability to acquire, rent, or maintain a housing accommodation;

(3) For purposes of Article 4, is unrelated to a person's ability to repay;

(4) For purposes of Article 5, is unrelated to a person's ability to utilize and benefit from a place of public accommodation;

(5) For purposes of Article 5, also includes any mental, psychological, or developmental disability, including autism spectrum disorders.

(J) Marital status. "Marital status" means the legal status of being married, single, separated, divorced, or widowed.

(J-1) Military status. "Military status" means a person's status on active duty in or status as a veteran of the armed forces of the United States, status as a current member or veteran of any reserve component of the armed forces of the United States, including the United States Army Reserve, United States Marine Corps Reserve, United States Navy Reserve, United States Air Force Reserve, and United States Coast Guard Reserve, or status as a current member or veteran of the Illinois Army National Guard or Illinois Air National Guard.

(K) National origin. "National origin" means the place in which a person or one of his or her ancestors was born.

(K-5) "Order of protection status" means a person's status as being a person protected under an order of protection issued pursuant to the Illinois Domestic Violence Act of 1986, Article 112A of the Code of Criminal Procedure of 1963, the Stalking No Contact Order Act, or the Civil No Contact Order Act, or an order of protection issued by a court of another state.

(L) Person. "Person" includes one or more individuals, partnerships, associations or organizations, labor organizations, labor unions, joint apprenticeship committees, or union labor associations, corporations, the State of Illinois and its instrumentalities, political subdivisions, units of local government, legal representatives, trustees in bankruptcy or receivers.

(L-5) Pregnancy. "Pregnancy" means pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth.

(M) Public contract. "Public contract" includes every contract to which the State, any of its political subdivisions, or any municipal corporation is a party.

(N) Religion. "Religion" includes all aspects of religious observance and practice, as well as belief, except that with respect to employers, for the purposes of Article 2, "religion" has the meaning ascribed to it in paragraph (F) of Section 2-101.

(O) Sex. "Sex" means the status of being male or female.

(O-1) Sexual orientation. "Sexual orientation" means actual or perceived heterosexuality, homosexuality, bisexuality, or gender-related identity, whether or not traditionally associated with the person's designated sex at birth. "Sexual orientation" does not include a physical or sexual attraction to a minor by an adult.

(P) Unfavorable military discharge. "Unfavorable military discharge" includes discharges from the Armed Forces of the United States, their Reserve components, or any National Guard or Naval Militia which are classified as RE-3 or the equivalent thereof, but does not include those characterized as RE-4 or "Dishonorable".

(Q) Unlawful discrimination. "Unlawful discrimination" means discrimination against a person because of his or her actual or perceived: race, color, religion, national origin, ancestry, age, sex, marital status, order of protection status, disability, military status, sexual orientation, pregnancy, or unfavorable discharge from military service as those terms are defined in this Section.

(Source: P.A. 100-714, eff. 1-1-19; revised 10-4-18.)

(775 ILCS 5/2-101) (from Ch. 68, par. 2-101)

Sec. 2-101. Definitions. The following definitions are applicable strictly in the context of this Article.

(A) Employee.

(1) "Employee" includes:

- (a) Any individual performing services for remuneration within this State for an employer;
- (b) An apprentice;
- (c) An applicant for any apprenticeship.

For purposes of subsection (D) of Section 2-102 of this Act, "employee" also includes an unpaid intern. An unpaid intern is a person who performs work for an employer under the following circumstances:

- (i) the employer is not committed to hiring the person performing the work at the conclusion of the intern's tenure;
- (ii) the employer and the person performing the work agree that the person is not entitled to wages for the work performed; and
- (iii) the work performed:
 - (I) supplements training given in an educational environment that may enhance the employability of the intern;
 - (II) provides experience for the benefit of the person performing the work;
 - (III) does not displace regular employees;
 - (IV) is performed under the close supervision of existing staff; and
 - (V) provides no immediate advantage to the employer providing the training and may occasionally impede the operations of the employer.

(2) "Employee" does not include:

- (a) (Blank);
- (b) Individuals employed by persons who are not "employers" as defined by this Act;
- (c) Elected public officials or the members of their immediate personal staffs;
- (d) Principal administrative officers of the State or of any political subdivision, municipal corporation or other governmental unit or agency;
- (e) A person in a vocational rehabilitation facility certified under federal law who has been designated an evaluatee, trainee, or work activity client.

(B) Employer.

(1) "Employer" includes:

- (a) Any person employing 15 or more employees within Illinois during 20 or more calendar weeks within the calendar year of or preceding the alleged violation;
- (b) Any person employing one or more employees when a complainant alleges civil rights violation due to unlawful discrimination based upon his or her physical or mental disability unrelated to ability, pregnancy, or sexual harassment;
- (c) The State and any political subdivision, municipal corporation or other governmental unit or agency, without regard to the number of employees;

(d) Any party to a public contract without regard to the number of employees;

(e) A joint apprenticeship or training committee without regard to the number of employees.

(2) "Employer" does not include any religious corporation, association, educational institution, society, or non-profit nursing institution conducted by and for those who rely upon treatment by prayer through spiritual means in accordance with the tenets of a recognized church or religious denomination with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, society or non-profit nursing institution of its activities.

(C) Employment Agency. "Employment Agency" includes both public and private employment agencies and any person, labor organization, or labor union having a hiring hall or hiring office regularly undertaking, with or without compensation, to procure opportunities to work, or to procure, recruit, refer or place employees.

(D) Labor Organization. "Labor Organization" includes any organization, labor union, craft union, or any voluntary unincorporated association designed to further the cause of the rights of union labor which is constituted for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances, terms or conditions of employment, or apprenticeships or applications for apprenticeships, or of other mutual aid or protection in connection with employment, including apprenticeships or applications for apprenticeships.

(E) Sexual Harassment. "Sexual harassment" means any unwelcome sexual advances or requests for sexual favors or any conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

For purposes of this definition, the phrase "working environment" is not limited to a physical location an employee is assigned to perform his or her duties.

(E-1) Harassment. "Harassment" means any unwelcome conduct on the basis of an individual's actual or perceived race, color, religion, national origin, ancestry, age, sex, marital status, order of protection status, disability, military status, sexual orientation, pregnancy, unfavorable discharge from military service, or citizenship status that has the purpose or effect of substantially interfering with the individual's work performance or creating an intimidating, hostile, or offensive working environment. For purposes of this definition, the phrase "working environment" is not limited to a physical location an employee is assigned to perform his or her duties.

(F) Religion. "Religion" with respect to employers includes all aspects of religious observance and practice, as well as belief, unless an employer demonstrates that he is unable to reasonably accommodate an employee's or prospective employee's religious observance or practice without undue hardship on the conduct of the employer's business.

(G) Public Employer. "Public employer" means the State, an agency or department thereof, unit of local government, school district, instrumentality or political subdivision.

(H) Public Employee. "Public employee" means an employee of the State, agency or department thereof, unit of local government, school district, instrumentality or political subdivision. "Public employee" does not include public officers or employees of the General Assembly or agencies thereof.

(I) Public Officer. "Public officer" means a person who is elected to office pursuant to the Constitution or a statute or ordinance, or who is appointed to an office which is established, and the qualifications and duties of which are prescribed, by the Constitution or a statute or ordinance, to discharge a public duty for the State, agency or department thereof, unit of local government, school district, instrumentality or political subdivision.

(J) Eligible Bidder. "Eligible bidder" means a person who, prior to contract award or prior to bid opening for State contracts for construction or construction-related services, has filed with the Department a properly completed, sworn and currently valid employer report form, pursuant to the Department's regulations. The provisions of this Article relating to eligible bidders apply only to bids on contracts with the State and its departments, agencies, boards, and commissions, and the provisions do not apply to bids on contracts with units of local government or school districts.

(K) Citizenship Status. "Citizenship status" means the status of being:

(1) a born U.S. citizen;

(2) a naturalized U.S. citizen;

(3) a U.S. national; or

(4) a person born outside the United States and not a U.S. citizen who is not an

unauthorized alien and who is protected from discrimination under the provisions of Section 1324b of Title 8 of the United States Code, as now or hereafter amended.

(Source: P.A. 99-78, eff. 7-20-15; 99-758, eff. 1-1-17; 100-43, eff. 8-9-17.)

(775 ILCS 5/2-102) (from Ch. 68, par. 2-102)

Sec. 2-102. Civil rights violations - employment. It is a civil rights violation:

(A) Employers. For any employer to refuse to hire, to segregate, to engage in harassment as defined in subsection (E-1) of Section 2-101, or to act with respect

to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges or conditions of employment on the basis of unlawful discrimination or citizenship status. An employer is responsible for harassment by the employer's nonmanagerial and nonsupervisory employees only if the employer becomes aware of the conduct and fails to take reasonable corrective measures.

(A-5) Language. For an employer to impose a restriction that has the effect of prohibiting a language from being spoken by an employee in communications that are unrelated to the employee's duties.

For the purposes of this subdivision (A-5), "language" means a person's native tongue, such as Polish, Spanish, or Chinese. "Language" does not include such things as slang, jargon, profanity, or vulgarity.

(A-10) Harassment of nonemployees. For any employer, employment agency, or labor organization to engage in harassment of nonemployees in the workplace. An employer is responsible for harassment of nonemployees by the employer's nonmanagerial and nonsupervisory employees only if the employer becomes aware of the conduct and fails to take reasonable corrective measures. For the purposes of this subdivision (A-10), "nonemployee" means a person who is not otherwise an employee of the employer and is directly performing services for the employer pursuant to a contract with that employer. "Nonemployee" includes contractors and consultants. This subdivision applies to harassment occurring on or after the effective date of this amendatory Act of the 101st General Assembly.

(B) Employment agency. For any employment agency to fail or refuse to classify properly, accept applications and register for employment referral or apprenticeship referral, refer for employment, or refer for apprenticeship on the basis of unlawful discrimination or citizenship status or to accept from any person any job order, requisition or request for referral of applicants for employment or apprenticeship which makes or has the effect of making unlawful discrimination or discrimination on the basis of citizenship status a condition of referral.

(C) Labor organization. For any labor organization to limit, segregate or classify its membership, or to limit employment opportunities, selection and training for apprenticeship in any trade or craft, or otherwise to take, or fail to take, any action which affects adversely any person's status as an employee or as an applicant for employment or as an apprentice, or as an applicant for apprenticeships, or wages, tenure, hours of employment or apprenticeship conditions on the basis of unlawful discrimination or citizenship status.

(D) Sexual harassment. For any employer, employee, agent of any employer, employment agency or labor organization to engage in sexual harassment; provided, that an employer shall be responsible for sexual harassment of the employer's employees by nonemployees or nonmanagerial and nonsupervisory employees only if the employer becomes aware of the conduct and fails to take reasonable corrective measures.

(D-5) Sexual harassment of nonemployees. For any employer, employee, agent of any employer, employment agency, or labor organization to engage in sexual harassment of nonemployees in the workplace. An employer is responsible for sexual harassment of nonemployees by the employer's nonmanagerial and nonsupervisory employees only if the employer becomes aware of the conduct and fails to take reasonable corrective measures. For the purposes of this subdivision (D-5), "nonemployee" means a person who is not otherwise an employee of the employer and is directly performing services for the employer pursuant to a contract with that employer. "Nonemployee" includes contractors and consultants. This subdivision applies to sexual harassment occurring on or after the effective date of this amendatory Act of the 101st General Assembly.

(E) Public employers. For any public employer to refuse to permit a public employee under its jurisdiction who takes time off from work in order to practice his or her religious beliefs to engage in work, during hours other than such employee's regular working hours, consistent with the operational needs of the employer and in order to compensate for work time lost for such religious reasons. Any employee who elects such deferred work shall be compensated at the wage rate which he or she would have earned during the originally scheduled work period. The employer may require that an employee who plans to take time off from work in order to practice his or her religious beliefs provide

the employer with a notice of his or her intention to be absent from work not exceeding 5 days prior to the date of absence.

(E-5) Religious discrimination. For any employer to impose upon a person as a condition of obtaining or retaining employment, including opportunities for promotion, advancement, or transfer, any terms or conditions that would require such person to violate or forgo a sincerely held practice of his or her religion including, but not limited to, the wearing of any attire, clothing, or facial hair in accordance with the requirements of his or her religion, unless, after engaging in a bona fide effort, the employer demonstrates that it is unable to reasonably accommodate the employee's or prospective employee's sincerely held religious belief, practice, or observance without undue hardship on the conduct of the employer's business.

Nothing in this Section prohibits an employer from enacting a dress code or grooming policy that may include restrictions on attire, clothing, or facial hair to maintain workplace safety or food sanitation.

(F) Training and apprenticeship programs. For any employer, employment agency or labor organization to discriminate against a person on the basis of age in the selection, referral for or conduct of apprenticeship or training programs.

(G) Immigration-related practices.

(1) for an employer to request for purposes of satisfying the requirements of Section 1324a(b) of Title 8 of the United States Code, as now or hereafter amended, more or different documents than are required under such Section or to refuse to honor documents tendered that on their face reasonably appear to be genuine; or

(2) for an employer participating in the E-Verify Program, as authorized by 8 U.S.C. 1324a, Notes, Pilot Programs for Employment Eligibility Confirmation (enacted by PL 104-208, div. C title IV, subtitle A) to refuse to hire, to segregate, or to act with respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges or conditions of employment without following the procedures under the E-Verify Program.

(H) (Blank).

(I) Pregnancy. For an employer to refuse to hire, to segregate, or to act with respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure or terms, privileges or conditions of employment on the basis of pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth. Women affected by pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth shall be treated the same for all employment-related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work, regardless of the source of the inability to work or employment classification or status.

(J) Pregnancy; reasonable accommodations.

(1) If after a job applicant or employee, including a part-time, full-time, or probationary employee, requests a reasonable accommodation, for an employer to not make reasonable accommodations for any medical or common condition of a job applicant or employee related to pregnancy or childbirth, unless the employer can demonstrate that the accommodation would impose an undue hardship on the ordinary operation of the business of the employer. The employer may request documentation from the employee's health care provider concerning the need for the requested reasonable accommodation or accommodations to the same extent documentation is requested for conditions related to disability if the employer's request for documentation is job-related and consistent with business necessity. The employer may require only the medical justification for the requested accommodation or accommodations, a description of the reasonable accommodation or accommodations medically advisable, the date the reasonable accommodation or accommodations became medically advisable, and the probable duration of the reasonable accommodation or accommodations. It is the duty of the individual seeking a reasonable accommodation or accommodations to submit to the employer any documentation that is requested in accordance with this paragraph. Notwithstanding the provisions of this paragraph, the employer may require documentation by the employee's health care provider to determine compliance with other laws. The employee and employer shall engage in a timely, good faith, and meaningful exchange to determine effective reasonable accommodations.

(2) For an employer to deny employment opportunities or benefits to or take adverse action against an otherwise qualified job applicant or employee, including a part-time, full-time, or probationary employee, if the denial or adverse action is based on the need of the employer

to make reasonable accommodations to the known medical or common conditions related to the pregnancy or childbirth of the applicant or employee.

(3) For an employer to require a job applicant or employee, including a part-time, full-time, or probationary employee, affected by pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth to accept an accommodation when the applicant or employee did not request an accommodation and the applicant or employee chooses not to accept the employer's accommodation.

(4) For an employer to require an employee, including a part-time, full-time, or probationary employee, to take leave under any leave law or policy of the employer if another reasonable accommodation can be provided to the known medical or common conditions related to the pregnancy or childbirth of an employee. No employer shall fail or refuse to reinstate the employee affected by pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth to her original job or to an equivalent position with equivalent pay and accumulated seniority, retirement, fringe benefits, and other applicable service credits upon her signifying her intent to return or when her need for reasonable accommodation ceases, unless the employer can demonstrate that the accommodation would impose an undue hardship on the ordinary operation of the business of the employer.

For the purposes of this subdivision (J), "reasonable accommodations" means reasonable modifications or adjustments to the job application process or work environment, or to the manner or circumstances under which the position desired or held is customarily performed, that enable an applicant or employee affected by pregnancy, childbirth, or medical or common conditions related to pregnancy or childbirth to be considered for the position the applicant desires or to perform the essential functions of that position, and may include, but is not limited to: more frequent or longer bathroom breaks, breaks for increased water intake, and breaks for periodic rest; private non-bathroom space for expressing breast milk and breastfeeding; seating; assistance with manual labor; light duty; temporary transfer to a less strenuous or hazardous position; the provision of an accessible worksite; acquisition or modification of equipment; job restructuring; a part-time or modified work schedule; appropriate adjustment or modifications of examinations, training materials, or policies; reassignment to a vacant position; time off to recover from conditions related to childbirth; and leave necessitated by pregnancy, childbirth, or medical or common conditions resulting from pregnancy or childbirth.

For the purposes of this subdivision (J), "undue hardship" means an action that is prohibitively expensive or disruptive when considered in light of the following factors: (i) the nature and cost of the accommodation needed; (ii) the overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation, the number of persons employed at the facility, the effect on expenses and resources, or the impact otherwise of the accommodation upon the operation of the facility; (iii) the overall financial resources of the employer, the overall size of the business of the employer with respect to the number of its employees, and the number, type, and location of its facilities; and (iv) the type of operation or operations of the employer, including the composition, structure, and functions of the workforce of the employer, the geographic separateness, administrative, or fiscal relationship of the facility or facilities in question to the employer. The employer has the burden of proving undue hardship. The fact that the employer provides or would be required to provide a similar accommodation to similarly situated employees creates a rebuttable presumption that the accommodation does not impose an undue hardship on the employer.

No employer is required by this subdivision (J) to create additional employment that the employer would not otherwise have created, unless the employer does so or would do so for other classes of employees who need accommodation. The employer is not required to discharge any employee, transfer any employee with more seniority, or promote any employee who is not qualified to perform the job, unless the employer does so or would do so to accommodate other classes of employees who need it.

(K) Notice.

(1) For an employer to fail to post or keep posted in a conspicuous location on the premises of the employer where notices to employees are customarily posted, or fail to include in any employee handbook information concerning an employee's rights under this Article, a notice, to be prepared or approved by the Department, summarizing the requirements of this Article and information pertaining to the filing of a charge, including the right to be free from unlawful discrimination, the right to be free from sexual harassment, and the right to certain reasonable accommodations. The Department shall make the documents required under this paragraph available for retrieval from the Department's website.

(2) Upon notification of a violation of paragraph (1) of this subdivision (K), the

Department may launch a preliminary investigation. If the Department finds a violation, the Department may issue a notice to show cause giving the employer 30 days to correct the violation. If the violation is not corrected, the Department may initiate a charge of a civil rights violation.

(Source: P.A. 100-100, eff. 8-11-17; 100-588, eff. 6-8-18.)

(775 ILCS 5/2-108 new)

Sec. 2-108. Employer disclosure requirements.

(A) Definitions. The following definitions are applicable strictly to this Section:

(1) "Employer" means:

(a) any person employing one or more employees within this State;

(b) a labor organization; or

(c) the State and any political subdivision, municipal corporation, or other governmental unit or agency, without regard to the number of employees.

(2) "Settlement" means any written commitment or written agreement, including any agreed judgment, stipulation, decree, agreement to settle, assurance of discontinuance, or otherwise between an employee, as defined by subsection (A) of Section 2-101, or a nonemployee to whom an employer owes a duty under this Act pursuant to (A-10) or (D-5) of Section 2-102, and an employer under which the employer directly or indirectly provides to an individual compensation or other consideration due to an allegation that the individual has been a victim of sexual harassment or unlawful discrimination under this Act.

(3) "Adverse judgment or administrative ruling" means any final and non-appealable adverse judgment or final and non-appealable administrative ruling entered in favor of an employee as defined by subsection (A) of Section 2-101 or a nonemployee to whom an employer owes a duty under this Act pursuant to (A-10) or (D-5) of Section 2-102, and against the employer during the preceding year in which there was a finding of sexual harassment or unlawful discrimination brought under this Act, Title VII of the Civil Rights Act of 1964, or any other federal, State, or local law prohibiting sexual harassment or unlawful discrimination.

(B) Required disclosures. Beginning July 1, 2020, and by each July 1 thereafter, each employer that had an adverse judgment or administrative ruling against it in the preceding calendar year, as provided in this Section, shall disclose annually to the Department of Human Rights the following information:

(1) the total number of adverse judgments or administrative rulings during the preceding year;

(2) whether any equitable relief was ordered against the employer in any adverse judgment or administrative ruling described in paragraph (1);

(3) how many adverse judgments or administrative rulings described in paragraph (1) are in each of the following categories:

(a) sexual harassment;

(b) discrimination or harassment on the basis of sex;

(c) discrimination or harassment on the basis of race, color, or national origin;

(d) discrimination or harassment on the basis of religion;

(e) discrimination or harassment on the basis of age;

(f) discrimination or harassment on the basis of disability;

(g) discrimination or harassment on the basis of military status or unfavorable discharge from military status;

(h) discrimination or harassment on the basis of sexual orientation or gender identity; and

(i) discrimination or harassment on the basis of any other characteristic protected under this Act;

(C) Settlements. If the Department is investigating a charge filed pursuant to this Act, the Department may request the employer responding to the charge to submit the total number of settlements entered into during the preceding 5 years, or less at the direction of the Department, that relate to any alleged act of sexual harassment or unlawful discrimination that:

(1) occurred in the workplace of the employer; or

(2) involved the behavior of an employee of the employer or a corporate executive of the employer, without regard to whether that behavior occurred in the workplace of the employer.

The total number of settlements entered into during the requested period shall be reported along with how many settlements are in each of the following categories, when requested by the Department pursuant to this subsection:

(a) sexual harassment;

(b) discrimination or harassment on the basis of sex;

(c) discrimination or harassment on the basis of race, color, or national origin;

(d) discrimination or harassment on the basis of religion;

(e) discrimination or harassment on the basis of age;

(f) discrimination or harassment on the basis of disability;

(g) discrimination or harassment on the basis of military status or unfavorable discharge from military status;

(h) discrimination or harassment on the basis of sexual orientation or gender identity; and

(i) discrimination or harassment on the basis of any other characteristic protected under this Act;

The Department shall not rely on the existence of any settlement agreement to support a finding of substantial evidence under this Act.

(D) Prohibited disclosures. An employer may not disclose the name of a victim of an act of alleged sexual harassment or unlawful discrimination in any disclosures required under this Section.

(E) Annual report. The Department shall publish an annual report aggregating the information reported by employers under subsection (B) of this Section such that no individual employer data is available to the public. The report shall include the number of adverse judgments or administrative rulings filed during the preceding calendar year based on each of the protected classes identified by this Act.

The report shall be filed with the General Assembly and made available to the public by December 31 of each reporting year. Data submitted by an employer to comply with this Section is confidential and exempt from the Freedom of Information Act.

(F) Failure to report and penalties. If an employer fails to make any disclosures required under this Section, the Department shall issue a notice to show cause giving the employer 30 days to disclose the required information. If the employer does not make the required disclosures within 30 days, the Department shall petition the Illinois Human Rights Commission for entry of an order imposing a civil penalty against the employer pursuant to Section 8-109.1. The civil penalty shall be paid into the Department of Human Rights' Training and Development Fund.

(G) Rules. The Department shall adopt any rules it deems necessary for implementation of this Section.

(H) This Section is repealed on January 1, 2030.

(775 ILCS 5/2-109 new)

Sec. 2-109. Sexual harassment prevention training.

(A) The General Assembly finds that the organizational tolerance of sexual harassment has a detrimental influence in workplaces by creating a hostile environment for employees, reducing productivity, and increasing legal liability. It is the General Assembly's intent to encourage employers to adopt and actively implement policies to ensure their workplaces are safe for employees to report concerns about sexual harassment without fear of retaliation, loss of status, or loss of promotional opportunities.

(B) The Department shall produce a model sexual harassment prevention training program aimed at the prevention of sexual harassment in the workplace. The model program shall be made available to employers and to the public online at no cost. This model program shall include, at a minimum, the following:

(1) an explanation of sexual harassment consistent with this Act;

(2) examples of conduct that constitutes unlawful sexual harassment;

(3) a summary of relevant federal and State statutory provisions concerning sexual harassment, including remedies available to victims of sexual harassment; and

(4) a summary of responsibilities of employers in the prevention, investigation, and corrective measures of sexual harassment.

(C) Except for those employers subject to the requirements of Section 5-10.5 of the State Officials and Employees Ethics Act, every employer with employees working in this State shall use the model sexual harassment prevention training program created by the Department or establish its own sexual harassment prevention training program that equals or exceeds the minimum standards in subsection (B). The sexual harassment prevention training shall be provided at least once a year to all employees. For the purposes of satisfying the requirements under this Section, the Department's model sexual harassment prevention training program may be used to supplement any existing program an employer is utilizing or develops.

(D) If an employer violates this Section, the Department shall issue a notice to show cause giving the employer 30 days to comply. If the employer does not comply within 30 days, the Department shall petition the Human Rights Commission for entry of an order imposing a civil penalty against the employer pursuant to Section 8-109.1. The civil penalty shall be paid into the Department of Human Rights Training and Development Fund.

(775 ILCS 5/2-110 new)

Sec. 2-110. Restaurants and bars; sexual harassment prevention.

(A) As used in this Section:

"Bar" means an establishment that is devoted to the serving of alcoholic beverages for consumption by guests on the premises and that derives no more than 10% of its gross revenue from the sale of food

consumed on the premises, including, but not limited to, taverns, nightclubs, cocktail lounges, adult entertainment facilities, and cabarets.

"Manager" means a person responsible for the hiring and firing of employees, including, but not limited to, a general manager, owner, head chef, or other non-tipped employee with duties managing the operation, inventory, safety, and personnel of a restaurant or bar.

"Restaurant" means any business that is primarily engaged in the sale of ready-to-eat food for immediate consumption, including, but not limited to, restaurants, coffee shops, cafeterias, and sandwich stands that give or offer for sale food to the public, guests, or employees, and kitchen or catering facilities in which food is prepared on the premises for serving elsewhere.

(B) Every restaurant and bar operating in this State must have a sexual harassment policy provided to all employees, in writing, within the first calendar week of the employee's employment. The policy shall include:

(1) a prohibition on sexual harassment;

(2) the definition of sexual harassment under the Illinois Human Rights Act and Title VII of the Civil Rights Act of 1964;

(3) details on how an individual can report an allegation of sexual harassment internally, including options for making a confidential report to a manager, owner, corporate headquarters, human resources department, or other internal reporting mechanism that may be available;

(4) an explanation of the internal complaint process available to employees;

(5) how to contact and file a charge with the Illinois Department of Human Rights and United States Equal Employment Opportunity Commission;

(6) a prohibition on retaliation for reporting sexual harassment allegations; and

(7) a requirement that all employees participate in sexual harassment prevention training.

The policy shall be made available in English and Spanish.

(C) In addition to the model sexual harassment prevention training program produced by the Department in Section 2-109, the Department shall develop a supplemental model training program in consultation with industry professionals specifically aimed at the prevention of sexual harassment in the restaurant and bar industry. The supplemental model program shall be made available to all restaurants and bars and the public online at no cost. The training shall include:

(1) specific conduct, activities, or videos related to the restaurant or bar industry;

(2) an explanation of manager liability and responsibility under the law; and

(3) English and Spanish language options.

(D) Every restaurant and bar that is an employer under this Act shall use the supplemental model training program or establish its own supplemental model training program that equals or exceeds the requirements of subsection (C). The supplemental training program shall be provided at least once a year to all employees, regardless of employment classification. For the purposes of satisfying the requirements under this Section, this supplemental training may be done in conjunction or at the same time as any training that complies with Section 2-109.

(E) If a restaurant or bar that is an employer under this Act violates this Section 2-110, the Department shall issue a notice to show cause giving the employer 30 days to comply. If the employer does not comply within 30 days, the Department shall petition the Human Rights Commission for entry of an order imposing a civil penalty against the employer pursuant to Section 8-109.1. The civil penalty shall be paid into the Department of Human Rights Training and Development Fund.

(775 ILCS 5/7-109.1) (from Ch. 68, par. 7-109.1)

Sec. 7-109.1. Federal or State court proceedings. Administrative dismissal of charges-

(1) For charges filed under Article 7A of this Act, if the complainant has initiated litigation in a federal or State court for the purpose of seeking final relief on some or all of the issues that are the basis of the charge, either party may request that the Department administratively dismiss the Department's charge or portions of the charge. Within 10 business days of receipt of the federal or State court complaint, the Department shall issue a notice of administrative dismissal and provide the complainant notice of his or her right to commence a civil action in the appropriate circuit court or other appropriate court of competent jurisdiction. The Director shall also provide the charging party notice of his or her right to seek review of the notice of dismissal before the Commission. Any review by the Commission of the dismissal shall be filed within 30 days after receipt of the Director's notice and shall be limited to the question of whether the charge was properly dismissed under this Section.

(2) For charges filed under Article 7B of this Act, if the complainant has initiated litigation in a federal or State court for the purpose of seeking final relief on some or all of the issues that are the basis of the charge, either party may request that the Department administratively dismiss the charge or portions of the charge pending in the federal or State court proceeding if a trial has commenced in the federal or State

court proceeding. Within 10 business days of receipt of notice that the trial has begun, the Department shall issue a notice of administrative dismissal and provide the complainant notice of his or her right to commence a civil action in the appropriate circuit court or other appropriate court of competent jurisdiction. The Director shall also provide the charging party notice of his or her right to seek review of the notice of dismissal before the Commission. Any review by the Commission of the dismissal shall be filed within 30 days after receipt of the Director's notice and shall be limited to the question of whether the charge was properly dismissed under this Section.

(3) Nothing in this Section shall preclude the Department from continuing to investigate an allegation in the charge that is not included in the federal or State court proceeding.

For charges filed under this Act, if the charging party has initiated litigation for the purpose of seeking final relief in a State or federal court or before an administrative law judge or hearing officer in an administrative proceeding before a local government administrative agency, and if a final decision on the merits in that litigation or administrative hearing would preclude the charging party from bringing another action based on the pending charge, the Department shall cease its investigation and dismiss the pending charge by order of the Director, who shall provide the charging party notice of his or her right to commence a civil action in the appropriate circuit court or other appropriate court of competent jurisdiction. The Director shall also provide the charging party notice of his or her right to seek review of the dismissal order before the Commission. Any review by the Commission of the dismissal shall be limited to the question of whether the charge was properly dismissed pursuant to this Section. Nothing in this Section shall preclude the Department from continuing to investigate an allegation in a charge that is unique to this Act or otherwise could not have been included in the litigation or administrative proceeding.

(Source: P.A. 100-1066, eff. 8-24-18.)

(775 ILCS 5/7A-102) (from Ch. 68, par. 7A-102)

Sec. 7A-102. Procedures.

(A) Charge.

(1) Within 300 calendar days after the date that a civil rights violation allegedly has been committed, a charge in writing under oath or affirmation may be filed with the Department by an aggrieved party or issued by the Department itself under the signature of the Director.

(2) The charge shall be in such detail as to substantially apprise any party properly concerned as to the time, place, and facts surrounding the alleged civil rights violation.

(3) Charges deemed filed with the Department pursuant to subsection (A-1) of this Section shall be deemed to be in compliance with this subsection.

(A-1) Equal Employment Opportunity Commission Charges.

(1) If a charge is filed with the Equal Employment Opportunity Commission (EEOC) within 300 calendar days after the date of the alleged civil rights violation, the charge shall be deemed filed with the Department on the date filed with the EEOC. If the EEOC is the governmental agency designated to investigate the charge first, the Department shall take no action until the EEOC makes a determination on the charge and after the complainant notifies the Department of the EEOC's determination. In such cases, after receiving notice from the EEOC that a charge was filed, the Department shall notify the parties that (i) a charge has been received by the EEOC and has been sent to the Department for dual filing purposes; (ii) the EEOC is the governmental agency responsible for investigating the charge and that the investigation shall be conducted pursuant to the rules and procedures adopted by the EEOC; (iii) it will take no action on the charge until the EEOC issues its determination; (iv) the complainant must submit a copy of the EEOC's determination within 30 days after service of the determination by the EEOC on complainant; and (v) that the time period to investigate the charge contained in subsection (G) of this Section is tolled from the date on which the charge is filed with the EEOC until the EEOC issues its determination.

(2) If the EEOC finds reasonable cause to believe that there has been a violation of federal law and if the Department is timely notified of the EEOC's findings by complainant, the Department shall notify complainant that the Department has adopted the EEOC's determination of reasonable cause and that complainant has the right, within 90 days after receipt of the Department's notice, to either file his or her own complaint with the Illinois Human Rights Commission or commence a civil action in the appropriate circuit court or other appropriate court of competent jurisdiction. This notice shall be provided to the complainant within 10 business days after the Department's receipt of the EEOC's determination. The Department's notice to complainant that the Department has adopted the EEOC's determination of reasonable cause shall constitute the Department's Report for purposes of subparagraph (D) of this Section.

(3) For those charges alleging violations within the jurisdiction of both the EEOC and

the Department and for which the EEOC either (i) does not issue a determination, but does issue the complainant a notice of a right to sue, including when the right to sue is issued at the request of the complainant, or (ii) determines that it is unable to establish that illegal discrimination has occurred and issues the complainant a right to sue notice, and if the Department is timely notified of the EEOC's determination by complainant, the Department shall notify the parties, within 10 business days after receipt of the EEOC's determination, that the Department will adopt the EEOC's determination as a dismissal for lack of substantial evidence unless the complainant requests in writing within 35 days after receipt of the Department's notice that the Department review the EEOC's determination.

(a) If the complainant does not file a written request with the Department to review the EEOC's determination within 35 days after receipt of the Department's notice, the Department shall notify complainant, within 10 business days after the expiration of the 35-day period, that the decision of the EEOC has been adopted by the Department as a dismissal for lack of substantial evidence and that the complainant has the right, within 90 days after receipt of the Department's notice, to commence a civil action in the appropriate circuit court or other appropriate court of competent jurisdiction. The Department's notice to complainant that the Department has adopted the EEOC's determination shall constitute the Department's report for purposes of subparagraph (D) of this Section.

(b) If the complainant does file a written request with the Department to review the EEOC's determination, the Department shall review the EEOC's determination and any evidence obtained by the EEOC during its investigation. If, after reviewing the EEOC's determination and any evidence obtained by the EEOC, the Department determines there is no need for further investigation of the charge, the Department shall issue a report and the Director shall determine whether there is substantial evidence that the alleged civil rights violation has been committed pursuant to subsection (D) of Section 7A-102. If, after reviewing the EEOC's determination and any evidence obtained by the EEOC, the Department determines there is a need for further investigation of the charge, the Department may conduct any further investigation it deems necessary. After reviewing the EEOC's determination, the evidence obtained by the EEOC, and any additional investigation conducted by the Department, the Department shall issue a report and the Director shall determine whether there is substantial evidence that the alleged civil rights violation has been committed pursuant to subsection (D) of Section 7A-102 of this Act.

(4) Pursuant to this Section, if the EEOC dismisses the charge or a portion of the charge of discrimination because, under federal law, the EEOC lacks jurisdiction over the charge, and if, under this Act, the Department has jurisdiction over the charge of discrimination, the Department shall investigate the charge or portion of the charge dismissed by the EEOC for lack of jurisdiction pursuant to subsections (A), (A-1), (B), (B-1), (C), (D), (E), (F), (G), (H), (I), (J), and (K) of Section 7A-102 of this Act.

(5) The time limit set out in subsection (G) of this Section is tolled from the date on which the charge is filed with the EEOC to the date on which the EEOC issues its determination.

(6) The failure of the Department to meet the 10-business-day notification deadlines set out in paragraph (2) of this subsection shall not impair the rights of any party.

(B) Notice and Response to Charge. The Department shall, within 10 days of the date on which the charge was filed, serve a copy of the charge on the respondent and provide all parties with a notice of the complainant's right to opt out of the investigation within 60 days as set forth in subsection (C-1). This period shall not be construed to be jurisdictional. The charging party and the respondent may each file a position statement and other materials with the Department regarding the charge of alleged discrimination within 60 days of receipt of the notice of the charge. The position statements and other materials filed shall remain confidential unless otherwise agreed to by the party providing the information and shall not be served on or made available to the other party during pendency of a charge with the Department. The Department may require the respondent to file a response to the allegations contained in the charge. Upon the Department's request, the respondent shall file a response to the charge within 60 days and shall serve a copy of its response on the complainant or his or her representative. Notwithstanding any request from the Department, the respondent may elect to file a response to the charge within 60 days of receipt of notice of the charge, provided the respondent serves a copy of its response on the complainant or his or her representative. All allegations contained in the charge not denied by the respondent within 60 days of the Department's request for a response may be deemed admitted, unless the respondent states that it is without sufficient information to form a belief with respect to such allegation. The Department may issue a notice of default directed to any respondent who fails to file a response to a charge within 60 days of receipt of the Department's request, unless the respondent can demonstrate good cause as to why such notice should not issue. The term "good cause" shall be defined by rule promulgated by the Department.

Within 30 days of receipt of the respondent's response, the complainant may file a reply to said response and shall serve a copy of said reply on the respondent or his or her representative. A party shall have the right to supplement his or her response or reply at any time that the investigation of the charge is pending. The Department shall, within 10 days of the date on which the charge was filed, and again no later than 335 days thereafter, send by certified or registered mail, or electronic mail if elected by the party, written notice to the complainant and to the respondent informing the complainant of the complainant's rights to either file a complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court under subparagraph (2) of paragraph (G) ~~and under subsection (C-1)~~, including in such notice the dates within which the complainant may exercise these rights. In the notice the Department shall notify the complainant that the charge of civil rights violation will be dismissed with prejudice and with no right to further proceed if a written complaint is not timely filed with the Commission or with the appropriate circuit court by the complainant pursuant to subparagraph (2) of paragraph (G) ~~or subsection (C-1)~~ or by the Department pursuant to subparagraph (1) of paragraph (G).

(B-1) Mediation. The complainant and respondent may agree to voluntarily submit the charge to mediation without waiving any rights that are otherwise available to either party pursuant to this Act and without incurring any obligation to accept the result of the mediation process. Nothing occurring in mediation shall be disclosed by the Department or admissible in evidence in any subsequent proceeding unless the complainant and the respondent agree in writing that such disclosure be made.

(C) Investigation.

(1) ~~The~~ ~~If the complainant does not elect to opt out of an investigation pursuant to subsection (C-1),~~ the Department shall conduct an investigation sufficient to determine whether the allegations set forth in the charge are supported by substantial evidence unless the complainant elects to opt out of an investigation pursuant to subsection (C-1).

(2) The Director or his or her designated representatives shall have authority to request any member of the Commission to issue subpoenas to compel the attendance of a witness or the production for examination of any books, records or documents whatsoever.

(3) If any witness whose testimony is required for any investigation resides outside the State, or through illness or any other good cause as determined by the Director is unable to be interviewed by the investigator or appear at a fact finding conference, his or her testimony or deposition may be taken, within or without the State, in the same manner as is provided for in the taking of depositions in civil cases in circuit courts.

(4) Upon reasonable notice to the complainant and the respondent, the Department shall conduct a fact finding conference, unless prior to 365 days after the date on which the charge was filed the Director has determined whether there is substantial evidence that the alleged civil rights violation has been committed, the charge has been dismissed for lack of jurisdiction, or the parties voluntarily and in writing agree to waive the fact finding conference. Any party's failure to attend the conference without good cause shall result in dismissal or default. The term "good cause" shall be defined by rule promulgated by the Department. A notice of dismissal or default shall be issued by the Director. The notice of default issued by the Director shall notify the respondent that a request for review may be filed in writing with the Commission within 30 days of receipt of notice of default. The notice of dismissal issued by the Director shall give the complainant notice of his or her right to seek review of the dismissal before the Human Rights Commission or commence a civil action in the appropriate circuit court. If the complainant chooses to have the Human Rights Commission review the dismissal order, he or she shall file a request for review with the Commission within 90 days after receipt of the Director's notice. If the complainant chooses to file a request for review with the Commission, he or she may not later commence a civil action in a circuit court. If the complainant chooses to commence a civil action in a circuit court, he or she must do so within 90 days after receipt of the Director's notice.

(C-1) Opt out of Department's investigation. At any time within 60 days after receipt of notice of the right to opt out, a complainant may submit a written request seeking notice from the Director indicating that the complainant has opted out of the investigation and may commence a civil action in the appropriate circuit court or other appropriate court of competent jurisdiction. Within ~~The Department shall respond to a complainant's opt out request within 10 business days of receipt of the complainant's request to opt out of the investigation, the Director shall issue a notice to the parties stating that: (i) the complainant has exercised the right to opt out of the investigation; (ii) the complainant has 90 days after receipt of the Director's notice to commence an action in the appropriate circuit court or other appropriate court of competent jurisdiction; and (iii) the Department has ceased its investigation and is administratively closing the charge by issuing the complainant a notice of the right to commence an action in circuit court. The Department shall also notify the respondent that the complainant has elected to opt out of the administrative process within 10 business days of receipt of the complainant's request. If the complainant~~

~~chooses to commence an action in a circuit court under this subsection, he or she must do so within 90 days after receipt of the Director's notice of the right to commence an action in circuit court. The complainant shall notify the Department and the respondent that a complaint has been filed with the appropriate circuit court or other appropriate court of competent jurisdiction and shall mail a copy of the complaint to the Department and the respondent on the same date that the complaint is filed with the appropriate circuit court. Upon receipt of notice that the complainant has filed an action with the appropriate circuit court, the Department shall immediately cease its investigation and dismiss the charge of civil rights violation. Once a complainant has opted out of the investigation commenced an action in circuit court under this subsection, he or she may not file or refile a substantially similar charge with the Department arising from the same incident of unlawful discrimination or harassment.~~

(D) Report.

(1) Each charge investigated under subsection (C) shall be the subject of a report to the Director. The report shall be a confidential document subject to review by the Director, authorized Department employees, the parties, and, where indicated by this Act, members of the Commission or their designated hearing officers.

(2) Upon review of the report, the Director shall determine whether there is substantial evidence that the alleged civil rights violation has been committed. The determination of substantial evidence is limited to determining the need for further consideration of the charge pursuant to this Act and includes, but is not limited to, findings of fact and conclusions, as well as the reasons for the determinations on all material issues. Substantial evidence is evidence which a reasonable mind accepts as sufficient to support a particular conclusion and which consists of more than a mere scintilla but may be somewhat less than a preponderance.

(3) If the Director determines that there is no substantial evidence, the charge shall be dismissed by order of the Director and the Director shall give the complainant notice of his or her right to seek review of the dismissal order before the Commission or commence a civil action in the appropriate circuit court. If the complainant chooses to have the Human Rights Commission review the dismissal order, he or she shall file a request for review with the Commission within 90 days after receipt of the Director's notice. If the complainant chooses to file a request for review with the Commission, he or she may not later commence a civil action in a circuit court. If the complainant chooses to commence a civil action in a circuit court, he or she must do so within 90 days after receipt of the Director's notice.

(4) If the Director determines that there is substantial evidence, he or she shall notify the complainant and respondent of that determination. The Director shall also notify the parties that the complainant has the right to either commence a civil action in the appropriate circuit court or request that the Department of Human Rights file a complaint with the Human Rights Commission on his or her behalf. Any such complaint shall be filed within 90 days after receipt of the Director's notice. If the complainant chooses to have the Department file a complaint with the Human Rights Commission on his or her behalf, the complainant must, within 30 days after receipt of the Director's notice, request in writing that the Department file the complaint. If the complainant timely requests that the Department file the complaint, the Department shall file the complaint on his or her behalf. If the complainant fails to timely request that the Department file the complaint, the complainant may file his or her complaint with the Commission or commence a civil action in the appropriate circuit court. If the complainant files a complaint with the Human Rights Commission, the complainant shall give notice to the Department of the filing of the complaint with the Human Rights Commission.

(E) Conciliation.

(1) When there is a finding of substantial evidence, the Department may designate a Department employee who is an attorney licensed to practice in Illinois to endeavor to eliminate the effect of the alleged civil rights violation and to prevent its repetition by means of conference and conciliation.

(2) When the Department determines that a formal conciliation conference is necessary, the complainant and respondent shall be notified of the time and place of the conference by registered or certified mail at least 10 days prior thereto and either or both parties shall appear at the conference in person or by attorney.

(3) The place fixed for the conference shall be within 35 miles of the place where the civil rights violation is alleged to have been committed.

(4) Nothing occurring at the conference shall be disclosed by the Department unless the complainant and respondent agree in writing that such disclosure be made.

(5) The Department's efforts to conciliate the matter shall not stay or extend the time for filing the complaint with the Commission or the circuit court.

(F) Complaint.

(1) When the complainant requests that the Department file a complaint with the Commission on his or her behalf, the Department shall prepare a written complaint, under oath or affirmation, stating the nature of the civil rights violation substantially as alleged in the charge previously filed and the relief sought on behalf of the aggrieved party. The Department shall file the complaint with the Commission.

(2) If the complainant chooses to commence a civil action in a circuit court, he or she must do so in the circuit court in the county wherein the civil rights violation was allegedly committed. The form of the complaint in any such civil action shall be in accordance with the Illinois Code of Civil Procedure.

(G) Time Limit.

(1) When a charge of a civil rights violation has been properly filed, the Department, within 365 days thereof or within any extension of that period agreed to in writing by all parties, shall issue its report as required by subparagraph (D). Any such report shall be duly served upon both the complainant and the respondent.

(2) If the Department has not issued its report within 365 days after the charge is filed, or any such longer period agreed to in writing by all the parties, the complainant shall have 90 days to either file his or her own complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court. If the complainant files a complaint with the Commission, the form of the complaint shall be in accordance with the provisions of paragraph (F)(1). If the complainant commences a civil action in a circuit court, the form of the complaint shall be in accordance with the Illinois Code of Civil Procedure. The aggrieved party shall notify the Department that a complaint has been filed and shall serve a copy of the complaint on the Department on the same date that the complaint is filed with the Commission or in circuit court. If the complainant files a complaint with the Commission, he or she may not later commence a civil action in circuit court.

(3) If an aggrieved party files a complaint with the Human Rights Commission or commences a civil action in circuit court pursuant to paragraph (2) of this subsection, or if the time period for filing a complaint has expired, the Department shall immediately cease its investigation and dismiss the charge of civil rights violation. Any final order entered by the Commission under this Section is appealable in accordance with paragraph (B)(1) of Section 8-111. Failure to immediately cease an investigation and dismiss the charge of civil rights violation as provided in this paragraph (3) constitutes grounds for entry of an order by the circuit court permanently enjoining the investigation. The Department may also be liable for any costs and other damages incurred by the respondent as a result of the action of the Department.

(4) (Blank).

(H) This amendatory Act of 1995 applies to causes of action filed on or after January 1, 1996.

(I) This amendatory Act of 1996 applies to causes of action filed on or after January 1, 1996.

(J) The changes made to this Section by Public Act 95-243 apply to charges filed on or after the effective date of those changes.

(K) The changes made to this Section by this amendatory Act of the 96th General Assembly apply to charges filed on or after the effective date of those changes.

(L) The changes made to this Section by this amendatory Act of the 100th General Assembly apply to charges filed on or after the effective date of this amendatory Act of the 100th General Assembly.

(Source: P.A. 100-492, eff. 9-8-17; 100-588, eff. 6-8-18; 100-1066, eff. 8-24-18.)

(775 ILCS 5/8-109) (from Ch. 68, par. 8-109)

Sec. 8-109. Specific Penalties; Public Contracts; Licensees; Public Officials. In addition to the penalties and forms of relief set forth in Section ~~8A-104~~ 8-108, a hearing officer may recommend and the Commission or any three member panel thereof may:

(A) Public Contracts. In the case of a respondent who commits a civil rights violation while holding a public contract, where the practice was authorized, requested, commanded, performed, or knowingly permitted by the board of directors of the respondent or by an officer or executive agent acting within the scope of his employment, order: (1) termination of the contract; (2) debarment of the respondent from participating in public contracts for a period not to exceed three years; (3) imposition of a penalty to be paid to the State Treasurer not to exceed any profit acquired as a direct result of a civil rights violation; or (4) any combination of these penalties.

(B) Licensees. In the case of a respondent, operating by virtue of a license issued by the State, a political subdivision, or any agency thereof, who commits a civil rights violation, recommend to the appropriate licensing authority that the respondent's license be suspended or revoked.

(C) Public Officials. In the case of a respondent who is a public official who violates paragraph (C) of Section 5-102, recommend to the department or agency in which the official is employed that such disciplinary or discharge proceedings as the Commission deems appropriate be employed. (Source: P.A. 81-1267.)

(775 ILCS 5/8-109.1 new)

Sec. 8-109.1. Civil penalties; failure to report; failure to train.

(A) A hearing officer may recommend the Commission or any 3-member panel thereof may:

(1) Failure to report. In the case of an employer who fails to make any disclosures required under Section 2-108 within 30 days of the Department's notice to show cause, or as otherwise extended by the Department, order that a civil penalty be imposed pursuant to subsection (B).

(2) Failure to train. In the case of an employer who fails to comply with the sexual harassment prevention training requirements under Section 2-109 or 2-110 within 30 days of the Department's notice to show cause, or as otherwise extended by the Department, order that a civil penalty be imposed pursuant to subsection (B).

(B) An employer who violates Section 2-108, 2-109, or 2-110 is subject to a civil penalty as follows:

(1) For an employer with fewer than 4 employees: a penalty not to exceed \$500 for a first offense; a penalty not to exceed \$1,000 for a second offense; a penalty not to exceed \$3,000 for a third or subsequent offense.

(2) For an employer with 4 or more employees: a penalty not to exceed \$1,000 for a first offense; a penalty not to exceed \$3,000 for a second offense; a penalty not to exceed \$5,000 for a third or subsequent offense.

(C) The appropriateness of the penalty to the size of the employer charged, the good faith efforts made by the employer to comply, and the gravity of the violation shall be considered in determining the amount of the civil penalty.

Article 3.

Section 3-1. Short title. This Article may be cited as the Sexual Harassment Victim Representation Act. References in this Article to "this Act" mean this Article.

Section 3-5. Definitions. In this Act:

"Perpetrator" means an individual who commits or is alleged to have committed an act or threat of sexual harassment.

"Sexual harassment" means any unwelcome sexual advances or requests for sexual favors or any conduct of a sexual nature when: (i) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (iii) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

"Union" means any organization defined as a "labor organization" under Section 2 of the National Labor Relations Act (29 U.S.C. 152).

"Union representative" means a person designated by a union to represent a member of the union in any disciplinary proceeding.

"Victim" means a victim of sexual harassment.

Section 3-10. Dual representation prohibited.

(a) In any proceeding in which a victim who is a member of a union has accused a perpetrator who is a member of the same union, the victim and the perpetrator may not be represented in the proceeding by the same union representative.

(b) The union must designate separate union representatives to represent the parties to the proceeding.

Section 3-15. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Article 4.

Section 4-5. The Victims' Economic Security and Safety Act is amended by changing Sections 5, 10, 15, 20, 25, 30, and 45 as follows:

(820 ILCS 180/5)

Sec. 5. Findings. The General Assembly finds and declares the following:

(1) Domestic, ~~and~~ sexual, ~~and~~ gender violence affects many persons without regard to age, race, educational level, socioeconomic status, religion, or occupation.

(2) Domestic, ~~and~~ sexual, ~~and~~ gender violence has a devastating effect on individuals, families, communities and the workplace.

(3) Domestic violence crimes account for approximately 15% of total crime costs in the United States each year.

(4) Violence against women has been reported to be the leading cause of physical injury to women. Such violence has a devastating impact on women's physical and emotional health and financial security.

(5) According to recent government surveys, from 1993 through 1998 the average annual number of violent victimizations committed by intimate partners was 1,082,110, 87% of which were committed against women.

(6) Female murder victims were substantially more likely than male murder victims to have been killed by an intimate partner. About one-third of female murder victims, and about 4% of male murder victims, were killed by an intimate partner.

(7) According to recent government estimates, approximately 987,400 rapes occur annually in the United States, 89% of the rapes are perpetrated against female victims.

(8) Approximately 10,200,000 people have been stalked at some time in their lives. Four out of every 5 stalking victims are women. Stalkers harass and terrorize their victims by spying on the victims, standing outside their places of work or homes, making unwanted phone calls, sending or leaving unwanted letters or items, or vandalizing property.

(9) Employees in the United States who have been victims of domestic violence, dating violence, sexual assault, or stalking too often suffer adverse consequences in the workplace as a result of their victimization.

(10) Victims of domestic violence, dating violence, sexual assault, and stalking face the threat of job loss and loss of health insurance as a result of the illegal acts of the perpetrators of violence.

(11) The prevalence of domestic violence, dating violence, sexual assault, stalking, and other violence against women at work is dramatic. Approximately 11% of all rapes occur in the workplace. About 50,500 individuals, 83% of whom are women, were raped or sexually assaulted in the workplace each year from 1992 through 1996. Half of all female victims of violent workplace crimes know their attackers. Nearly one out of 10 violent workplace incidents is committed by partners or spouses.

(12) Homicide is the leading cause of death for women on the job. Husbands, boyfriends, and ex-partners commit 15% of workplace homicides against women.

(13) Studies indicate that as much as 74% of employed battered women surveyed were harassed at work by their abusive partners.

(14) According to a 1998 report of the U.S. General Accounting Office, between one-fourth and one-half of domestic violence victims surveyed in 3 studies reported that the victims lost a job due, at least in part, to domestic violence.

(15) Women who have experienced domestic violence or dating violence are more likely than other women to be unemployed, to suffer from health problems that can affect employability and job performance, to report lower personal income, and to rely on welfare.

(16) Abusers frequently seek to control their partners by actively interfering with their ability to work, including preventing their partners from going to work, harassing their partners at work, limiting the access of their partners to cash or transportation, and sabotaging the child care arrangements of their partners.

(17) More than one-half of women receiving welfare have been victims of domestic violence as adults and between one-fourth and one-third reported being abused in the last year.

(18) Sexual assault, whether occurring in or out of the workplace, can impair an employee's work performance, require time away from work, and undermine the employee's ability to maintain a job. Almost 50% of sexual assault survivors lose their jobs or are forced to quit in the aftermath of the assaults.

(19) More than one-fourth of stalking victims report losing time from work due to the stalking and 7% never return to work.

(20) (A) According to the National Institute of Justice, crime costs an estimated \$450,000,000,000 annually in medical expenses, lost earnings, social service costs, pain, suffering, and reduced quality of life for victims, which harms the Nation's productivity and drains the Nation's

resources. (B) Violent crime accounts for \$426,000,000,000 per year of this amount. (C) Rape exacts the highest costs per victim of any criminal offense, and accounts for \$127,000,000,000 per year of the amount described in subparagraph (A).

(21) The Bureau of National Affairs has estimated that domestic violence costs United States employers between \$3,000,000,000 and \$5,000,000,000 annually in lost time and productivity. Other reports have estimated that domestic violence costs United States employers \$13,000,000,000 annually.

(22) United States medical costs for domestic violence have been estimated to be \$31,000,000,000 per year.

(23) Ninety-four percent of corporate security and safety directors at companies nationwide rank domestic violence as a high security concern.

(24) Forty-nine percent of senior executives recently surveyed said domestic violence has a harmful effect on their company's productivity, 47% said domestic violence negatively affects attendance, and 44% said domestic violence increases health care costs.

(25) Employees, including individuals participating in welfare to work programs, may need to take time during business hours to:

(A) obtain orders of protection or civil no contact orders;

(B) seek medical or legal assistance, counseling, or other services; or

(C) look for housing in order to escape from domestic or sexual violence.

(Source: P.A. 96-635, eff. 8-24-09.)

(820 ILCS 180/10)

Sec. 10. Definitions. In this Act, except as otherwise expressly provided:

(1) "Commerce" includes trade, traffic, commerce, transportation, or communication; and "industry or activity affecting commerce" means any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and includes "commerce" and any "industry affecting commerce".

(2) "Course of conduct" means a course of repeatedly maintaining a visual or physical proximity to a person or conveying oral or written threats, including threats conveyed through electronic communications, or threats implied by conduct.

(3) "Department" means the Department of Labor.

(4) "Director" means the Director of Labor.

(5) "Domestic violence, sexual violence, or gender violence ~~or sexual violence~~" means domestic violence, sexual assault, gender violence, or stalking.

(6) "Domestic violence" means abuse, as defined in Section 103 of the Illinois Domestic Violence Act of 1986, by a family or household member, as defined in Section 103 of the Illinois Domestic Violence Act of 1986.

(7) "Electronic communications" includes communications via telephone, mobile phone, computer, e-mail, video recorder, fax machine, telex, ~~or pager~~, online platform (including, but not limited to, any public-facing website, web application, digital application, or social network), or any other electronic communication, as defined in Section 12-7.5 of the Criminal Code of 2012.

(8) "Employ" includes to suffer or permit to work.

(9) Employee.

(A) In general. "Employee" means any person employed by an employer.

(B) Basis. "Employee" includes a person employed as described in subparagraph (A) on a full or part-time basis, or as a participant in a work assignment as a condition of receipt of federal or State income-based public assistance.

(10) "Employer" means any of the following: (A) the State or any agency of the State; (B) any unit of local government or school district; or (C) any person that employs at least one employee.

(11) "Employment benefits" means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, pensions, and profit-sharing, regardless of whether such benefits are provided by a practice or written policy of an employer or through an "employee benefit plan". "Employee benefit plan" or "plan" means an employee welfare benefit plan or an employee pension benefit plan or a plan which is both an employee welfare benefit plan and an employee pension benefit plan.

(12) "Family or household member", for employees with a family or household member who is a victim of domestic violence, sexual violence, or gender violence, ~~or sexual violence~~, means a spouse, parent, son, daughter, other person related by blood or by present or prior marriage, other person who shares a relationship through a son or daughter, and persons jointly residing in the same household.

(12.5) "Gender violence" means:

(A) one or more acts of violence or aggression satisfying the elements of any criminal offense under the laws of this State that are committed, at least in part, on the basis of a person's actual or perceived sex or gender, regardless of whether the acts resulted in criminal charges, prosecution, or conviction;

(B) a physical intrusion or physical invasion of a sexual nature under coercive conditions satisfying the elements of any criminal offense under the laws of this State, regardless of whether the intrusion or invasion resulted in criminal charges, prosecution, or conviction; or

(C) a threat of an act described in item (A) or (B) causing a realistic apprehension that the originator of the threat will commit the act.

(13) "Parent" means the biological parent of an employee or an individual who stood in loco parentis to an employee when the employee was a son or daughter. "Son or daughter" means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is under 18 years of age, or is 18 years of age or older and incapable of self-care because of a mental or physical disability.

(14) "Perpetrator" means an individual who commits or is alleged to have committed any act or threat of domestic violence, sexual violence, or gender violence ~~or sexual violence~~.

(15) "Person" means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.

(16) "Public agency" means the Government of the State or political subdivision thereof; any agency of the State, or of a political subdivision of the State; or any governmental agency.

(17) "Public assistance" includes cash, food stamps, medical assistance, housing assistance, and other benefits provided on the basis of income by a public agency or public employer.

(18) "Reduced work schedule" means a work schedule that reduces the usual number of hours per workweek, or hours per workday, of an employee.

(19) "Repeatedly" means on 2 or more occasions.

(20) "Sexual assault" means any conduct proscribed by: (i) Article 11 of the Criminal Code of 2012 except Sections 11-35 and 11-45; (ii) Sections 12-13, 12-14, 12-14.1, 12-15, and 12-16 of the Criminal Code of 2012; or (iii) a similar provision of the Criminal Code of 1961 the Criminal Code of 1961 or the Criminal Code of 2012 in Sections 11-1.20, 11-1.30, 11-1.40, 11-1.50, 11-1.60, 12-13, 12-14, 12-14.1, 12-15, and 12-16.

(21) "Stalking" means any conduct proscribed by the Criminal Code of 1961 or the Criminal Code of 2012 in Sections 12-7.3, 12-7.4, and 12-7.5.

(22) "Victim" or "survivor" means an individual who has been subjected to domestic violence, sexual violence, or gender violence ~~or sexual violence~~.

(23) "Victim services organization" means a nonprofit, nongovernmental organization that provides assistance to victims of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ or to advocates for such victims, including a rape crisis center, an organization carrying out a domestic violence program, an organization operating a shelter or providing counseling services, or a legal services organization or other organization providing assistance through the legal process.

(Source: P.A. 99-765, eff. 1-1-17.)

(820 ILCS 180/15)

Sec. 15. Purposes. The purposes of this Act are:

(1) to promote the State's interest in reducing domestic violence, dating violence, sexual assault, gender violence, and stalking by enabling victims of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ to maintain the financial independence necessary to leave abusive situations, achieve safety, and minimize the physical and emotional injuries from domestic violence, sexual violence, or gender violence ~~or sexual violence~~, and to reduce the devastating economic consequences of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ to employers and employees;

(2) to address the failure of existing laws to protect the employment rights of employees who are victims of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ and employees with a family or household member who is a victim of domestic violence, sexual violence, or gender violence ~~or sexual violence~~, by protecting the civil and economic rights of those employees, and by furthering the equal opportunity of women for economic self-sufficiency and employment free from discrimination;

(3) to accomplish the purposes described in paragraphs (1) and (2) by (A) entitling employed victims of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ and employees with a family or household member who is a victim of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ to take unpaid leave to seek medical help, legal assistance,

counseling, safety planning, and other assistance without penalty from their employers for the employee or the family or household member who is a victim; and (B) prohibiting employers from discriminating against any employee who is a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ or any employee who has a family or household member who is a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~, in a manner that accommodates the legitimate interests of employers and protects the safety of all persons in the workplace.

(Source: P.A. 96-635, eff. 8-24-09.)

(820 ILCS 180/20)

Sec. 20. Entitlement to leave due to domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~.

(a) Leave requirement.

(1) Basis. An employee who is a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ or an employee who has a family or household member who is a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ whose interests are not adverse to the employee as it relates to the domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ may take unpaid leave from work if the employee or employee's family or household member is experiencing an incident of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ or to address domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ by:

(A) seeking medical attention for, or recovering from, physical or psychological injuries caused by domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ to the employee or the employee's family or household member;

(B) obtaining services from a victim services organization for the employee or the employee's family or household member;

(C) obtaining psychological or other counseling for the employee or the employee's family or household member;

(D) participating in safety planning, temporarily or permanently relocating, or taking other actions to increase the safety of the employee or the employee's family or household member from future domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ or ensure economic security; or

(E) seeking legal assistance or remedies to ensure the health and safety of the employee or the employee's family or household member, including preparing for or participating in any civil or criminal legal proceeding related to or derived from domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~.

(2) Period. Subject to subsection (c), an employee working for an employer that employs at least 50 employees shall be entitled to a total of 12 workweeks of leave during any 12-month period. Subject to subsection (c), an employee working for an employer that employs at least 15 but not more than 49 employees shall be entitled to a total of 8 workweeks of leave during any 12-month period. Subject to subsection (c), an employee working for an employer that employs at least one but not more than 14 employees shall be entitled to a total of 4 workweeks of leave during any 12-month period. The total number of workweeks to which an employee is entitled shall not decrease during the relevant 12-month period. This Act does not create a right for an employee to take unpaid leave that exceeds the unpaid leave time allowed under, or is in addition to the unpaid leave time permitted by, the federal Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.).

(3) Schedule. Leave described in paragraph (1) may be taken intermittently or on a reduced work schedule.

(b) Notice. The employee shall provide the employer with at least 48 hours' advance notice of the employee's intention to take the leave, unless providing such notice is not practicable. When an unscheduled absence occurs, the employer may not take any action against the employee if the employee, upon request of the employer and within a reasonable period after the absence, provides certification under subsection (c).

(c) Certification.

(1) In general. The employer may require the employee to provide certification to the employer that:

(A) the employee or the employee's family or household member is a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~; and

(B) the leave is for one of the purposes enumerated in paragraph (a)(1).

The employee shall provide such certification to the employer within a reasonable period after the employer requests certification.

(2) Contents. An employee may satisfy the certification requirement of paragraph (1) by providing to the employer a sworn statement of the employee, and upon obtaining such documents the employee shall provide:

(A) documentation from an employee, agent, or volunteer of a victim services organization, an attorney, a member of the clergy, or a medical or other professional from whom the employee or the employee's family or household member has sought assistance in addressing domestic violence, sexual violence, or gender violence or ~~sexual violence~~ and the effects of the violence;

(B) a police or court record; or

(C) other corroborating evidence.

(d) Confidentiality. All information provided to the employer pursuant to subsection (b) or (c), including a statement of the employee or any other documentation, record, or corroborating evidence, and the fact that the employee has requested or obtained leave pursuant to this Section, shall be retained in the strictest confidence by the employer, except to the extent that disclosure is:

(1) requested or consented to in writing by the employee; or

(2) otherwise required by applicable federal or State law.

(e) Employment and benefits.

(1) Restoration to position.

(A) In general. Any employee who takes leave under this Section for the intended purpose of the leave shall be entitled, on return from such leave:

(i) to be restored to the position of employment held by the employee when the leave commenced; or

(ii) to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(B) Loss of benefits. The taking of leave under this Section shall not result in the loss of any employment benefit accrued prior to the date on which the leave commenced.

(C) Limitations. Nothing in this subsection shall be construed to entitle any restored employee to:

(i) the accrual of any seniority or employment benefits during any period of leave; or

(ii) any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(D) Construction. Nothing in this paragraph shall be construed to prohibit an employer from requiring an employee on leave under this Section to report periodically to the employer on the status and intention of the employee to return to work.

(2) Maintenance of health benefits.

(A) Coverage. Except as provided in subparagraph (B), during any period that an employee takes leave under this Section, the employer shall maintain coverage for the employee and any family or household member under any group health plan for the duration of such leave at the level and under the conditions coverage would have been provided if the employee had continued in employment continuously for the duration of such leave.

(B) Failure to return from leave. The employer may recover the premium that the employer paid for maintaining coverage for the employee and the employee's family or household member under such group health plan during any period of leave under this Section if:

(i) the employee fails to return from leave under this Section after the period of leave to which the employee is entitled has expired; and

(ii) the employee fails to return to work for a reason other than:

(I) the continuation, recurrence, or onset of domestic violence, sexual violence, or gender violence or ~~sexual violence~~ that entitles the

employee to leave pursuant to this Section; or

(II) other circumstances beyond the control of the employee.

(C) Certification.

(i) Issuance. An employer may require an employee who claims that the employee

is unable to return to work because of a reason described in subclause (I) or (II) of subparagraph (B)(ii) to provide, within a reasonable period after making the claim, certification to the employer that the employee is unable to return to work because of that reason.

(ii) Contents. An employee may satisfy the certification requirement of clause

(i) by providing to the employer:

- (I) a sworn statement of the employee;
- (II) documentation from an employee, agent, or volunteer of a victim services organization, an attorney, a member of the clergy, or a medical or other professional from whom the employee has sought assistance in addressing domestic violence, sexual violence, or gender violence or ~~sexual violence~~ and the effects of that violence;
- (III) a police or court record; or
- (IV) other corroborating evidence.

(D) Confidentiality. All information provided to the employer pursuant to subparagraph (C), including a statement of the employee or any other documentation, record, or corroborating evidence, and the fact that the employee is not returning to work because of a reason described in subclause (I) or (II) of subparagraph (B)(ii) shall be retained in the strictest confidence by the employer, except to the extent that disclosure is:

- (i) requested or consented to in writing by the employee; or
- (ii) otherwise required by applicable federal or State law.

(f) Prohibited acts.

(1) Interference with rights.

(A) Exercise of rights. It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise any right provided under this Section.

(B) Employer discrimination. It shall be unlawful for any employer to discharge or harass any individual, or otherwise discriminate against any individual with respect to compensation, terms, conditions, or privileges of employment of the individual (including retaliation in any form or manner) because the individual:

- (i) exercised any right provided under this Section; or
- (ii) opposed any practice made unlawful by this Section.

(C) Public agency sanctions. It shall be unlawful for any public agency to deny, reduce, or terminate the benefits of, otherwise sanction, or harass any individual, or otherwise discriminate against any individual with respect to the amount, terms, or conditions of public assistance of the individual (including retaliation in any form or manner) because the individual:

- (i) exercised any right provided under this Section; or
- (ii) opposed any practice made unlawful by this Section.

(2) Interference with proceedings or inquiries. It shall be unlawful for any person to discharge or in any other manner discriminate (as described in subparagraph (B) or (C) of paragraph (1)) against any individual because such individual:

- (A) has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to this Section;
- (B) has given, or is about to give, any information in connection with any inquiry or proceeding relating to any right provided under this Section; or
- (C) has testified, or is about to testify, in any inquiry or proceeding relating to any right provided under this Section.

(Source: P.A. 99-765, eff. 1-1-17.)

(820 ILCS 180/25)

Sec. 25. Existing leave usable for addressing domestic violence, sexual violence, or gender violence or ~~sexual violence~~. An employee who is entitled to take paid or unpaid leave (including family, medical, sick, annual, personal, or similar leave) from employment, pursuant to federal, State, or local law, a collective bargaining agreement, or an employment benefits program or plan, may elect to substitute any period of such leave for an equivalent period of leave provided under Section 20. The employer may not require the employee to substitute available paid or unpaid leave for leave provided under Section 20.

(Source: P.A. 96-635, eff. 8-24-09.)

(820 ILCS 180/30)

Sec. 30. Victims' employment sustainability; prohibited discriminatory acts.

(a) An employer shall not fail to hire, refuse to hire, discharge, constructively discharge, or harass any individual, otherwise discriminate against any individual with respect to the compensation, terms, conditions, or privileges of employment of the individual, or retaliate against an individual in any form or manner, and a public agency shall not deny, reduce, or terminate the benefits of, otherwise sanction, or harass any individual, otherwise discriminate against any individual with respect to the amount, terms, or conditions of public assistance of the individual, or retaliate against an individual in any form or manner, because:

- (1) the individual involved:

(A) is or is perceived to be a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~;

(B) attended, participated in, prepared for, or requested leave to attend, participate in, or prepare for a criminal or civil court proceeding relating to an incident of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ of which the individual or a family or household member of the individual was a victim, or requested or took leave for any other reason provided under Section 20;

(C) requested an adjustment to a job structure, workplace facility, or work requirement, including a transfer, reassignment, or modified schedule, leave, a changed telephone number or seating assignment, installation of a lock, or implementation of a safety procedure in response to actual or threatened domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~, regardless of whether the request was granted; or

(D) is an employee whose employer is subject to Section 21 of the Workplace Violence Prevention Act; or

(2) the workplace is disrupted or threatened by the action of a person whom the individual states has committed or threatened to commit domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ against the individual or the individual's family or household member.

(b) In this Section:

(1) "Discriminate", used with respect to the terms, conditions, or privileges of employment or with respect to the terms or conditions of public assistance, includes not making a reasonable accommodation to the known limitations resulting from circumstances relating to being a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ or a family or household member being a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ of an otherwise qualified individual:

(A) who is:

- (i) an applicant or employee of the employer (including a public agency); or
- (ii) an applicant for or recipient of public assistance from a public agency;

and

(B) who is:

(i) a ~~victim of domestic violence, sexual violence, or gender violence~~ or ~~a victim of domestic or sexual violence~~; or

(ii) with a family or household member who is a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ whose

interests are not adverse to the individual in subparagraph (A) as it relates to the domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~;

unless the employer or public agency can demonstrate that the accommodation would impose an undue hardship on the operation of the employer or public agency.

A reasonable accommodation must be made in a timely fashion. Any exigent circumstances or danger facing the employee or his or her family or household member shall be considered in determining whether the accommodation is reasonable.

(2) "Qualified individual" means:

(A) in the case of an applicant or employee described in paragraph (1)(A)(i), an individual who, but for being a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ or with a family or household member who is a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~, can perform the essential functions of the employment position that such individual holds or desires; or

(B) in the case of an applicant or recipient described in paragraph (1)(A)(ii), an individual who, but for being a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ or with a family or household member who is a victim of domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~, can satisfy the essential requirements of the program providing the public assistance that the individual receives or desires.

(3) "Reasonable accommodation" may include an adjustment to a job structure, workplace facility, or work requirement, including a transfer, reassignment, or modified schedule, leave, a changed telephone number or seating assignment, installation of a lock, or implementation of a safety procedure, or assistance in documenting domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~ that occurs at the workplace or in work-related settings, in response to actual or threatened domestic ~~violence, sexual violence, or gender violence~~ or ~~sexual violence~~.

(4) Undue hardship.

(A) In general. "Undue hardship" means an action requiring significant difficulty or

expense, when considered in light of the factors set forth in subparagraph (B).

(B) Factors to be considered. In determining whether a reasonable accommodation would impose an undue hardship on the operation of an employer or public agency, factors to be considered include:

(i) the nature and cost of the reasonable accommodation needed under this Section;

(ii) the overall financial resources of the facility involved in the provision of the reasonable accommodation, the number of persons employed at such facility, the effect on expenses and resources, or the impact otherwise of such accommodation on the operation of the facility;

(iii) the overall financial resources of the employer or public agency, the overall size of the business of an employer or public agency with respect to the number of employees of the employer or public agency, and the number, type, and location of the facilities of an employer or public agency; and

(iv) the type of operation of the employer or public agency, including the composition, structure, and functions of the workforce of the employer or public agency, the geographic separateness of the facility from the employer or public agency, and the administrative or fiscal relationship of the facility to the employer or public agency.

(c) An employer subject to Section 21 of the Workplace Violence Prevention Act shall not violate any provisions of the Workplace Violence Prevention Act.

(Source: P.A. 98-766, eff. 7-16-14; 99-78, eff. 7-20-15.)

(820 ILCS 180/45)

Sec. 45. Effect on other laws and employment benefits.

(a) More protective laws, agreements, programs, and plans. Nothing in this Act shall be construed to supersede any provision of any federal, State, or local law, collective bargaining agreement, or employment benefits program or plan that provides:

(1) greater leave benefits for victims of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ than the rights established under this Act; or

(2) leave benefits for a larger population of victims of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ (as defined in such law, agreement, program, or plan) than the victims of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ covered under this Act.

(b) Less protective laws, agreements, programs, and plans. The rights established for employees who are victims of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ and employees with a family or household member who is a victim of domestic violence, sexual violence, or gender violence ~~or sexual violence~~ under this Act shall not be diminished by any federal, State or local law, collective bargaining agreement, or employment benefits program or plan.

(Source: P.A. 93-591, eff. 8-25-03.)

Article 5.

Section 5-1. Short title. This Article may be cited as the Hotel and Casino Employee Safety Act. References in this Article to "this Act" mean this Article.

Section 5-5. Definitions. As used in this Act:

"Casino" has the meaning ascribed to the term "riverboat" under the Riverboat Gambling Act.

"Casino employer" means any person, business, or organization that holds an owners license pursuant to the Riverboat Gambling Act that operates a casino and either directly employs or through a subcontractor, including through the services of a temporary staffing agency, exercises direction and control over any natural person who is working on the casino premises.

"Complaining employee" means an employee who has alleged an instance of sexual assault or sexual harassment by a guest.

"Employee" means any natural person who works full-time or part-time for a hotel employer or casino employer for or under the direction of the hotel employer or casino employer or any subcontractor of the hotel employer or casino employer for wages or salary or remuneration of any type under a contract or subcontract of employment.

"Guest" means any invitee to a hotel or casino, including a registered guest, person occupying a guest room with a registered guest or other occupant of a guest room, person patronizing food or beverage

facilities provided by the hotel or casino, or any other person whose presence at the hotel or casino is permitted by the hotel or casino. "Guest" does not include an employee.

"Guest room" means any room made available by a hotel for overnight occupancy by guests.

"Hotel" means any building or buildings maintained, advertised, and held out to the public to be a place where lodging is offered for consideration to travelers and guests. "Hotel" includes an inn, motel, tourist home or court, and lodging house.

"Hotel employer" means any person, business entity, or organization that operates a hotel and either directly employs or through a subcontractor, including through the services of a temporary staffing agency, exercises direction and control over any natural person who is working on the hotel premises and employed in furtherance of the hotel's provision of lodging to travelers and guests.

"Notification device" or "safety device" means a portable emergency contact device, supplied by the hotel employer or casino employer, that utilizes technology that the hotel employer or casino employer deems appropriate for the hotel's or casino's size, physical layout, and technological capabilities and that is designed so that an employee can quickly and easily activate the device to alert a hotel or casino security officer, manager, or other appropriate hotel or casino staff member designated by the hotel or casino and effectively summon to the employee's location prompt assistance by a hotel or casino security officer, manager, or other appropriate hotel or casino staff member designated by the hotel or casino.

"Offending guest" means a guest a complaining employee has alleged sexually assaulted or sexually harassed the complaining employee.

"Restroom" means any room equipped with toilets or urinals.

"Sexual assault" means: (1) an act of sexual conduct, as defined in Section 11-0.1 of the Criminal Code of 2012; or (2) any act of sexual penetration, as defined in Section 11-0.1 of the Criminal Code of 2012 and includes, without limitation, acts prohibited under Sections 11-1.20 through 11-1.60 of the Criminal Code of 2012.

"Sexual harassment" means any harassment or discrimination on the basis of an individual's actual or perceived sex or gender, including unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature.

Section 5-10. Hotels and casinos; safety devices; anti-sexual harassment policies.

(a) Each hotel and casino shall equip an employee who is assigned to work in a guest room, restroom, or casino floor, under circumstances where no other employee is present in the room or area, with a safety device or notification device. The employee may use the safety device or notification device to summon help if the employee reasonably believes that an ongoing crime, sexual harassment, sexual assault, or other emergency is occurring in the employee's presence. The safety device or notification device shall be provided by the hotel or casino at no cost to the employee.

(b) Each hotel employer and casino employer shall develop, maintain, and comply with a written anti-sexual harassment policy to protect employees against sexual assault and sexual harassment by guests. This policy shall:

(1) encourage an employee to immediately report to the hotel employer or casino employer any instance of alleged sexual assault or sexual harassment by a guest;

(2) describe the procedures that the complaining employee and hotel employer or casino employer shall follow in cases under paragraph (1);

(3) instruct the complaining employee to cease work and to leave the immediate area where danger is perceived until hotel or casino security personnel or police arrive to provide assistance;

(4) offer temporary work assignments to the complaining employee during the duration of the offending guest's stay at the hotel or casino, which may include assigning the complaining employee to work on a different floor or at a different station or work area away from the offending guest;

(5) provide the complaining employee with necessary paid time off to:

(A) file a police report or criminal complaint with the appropriate local authorities against the offending guest; and

(B) if so required, testify as a witness at any legal proceeding that may ensue as a result of the criminal complaint filed against the offending guest, if the complaining employee is still in the employ of the hotel or casino at the time the legal proceeding occurs;

(6) inform the complaining employee that the Illinois Human Rights Act and Title VII of the Civil Rights Act of 1964 provide additional protections against sexual harassment in the workplace; and

(7) inform the complaining employee that Section 15 makes it illegal for an employer to

retaliate against any employee who: reasonably uses a safety device or notification device; in good faith avails himself or herself of the requirements set forth in paragraph (3), (4), or (5); or discloses, reports, or testifies about any violation of this Act or rules adopted under this Act.

Each hotel employer and casino employer shall provide all employees with a current copy in English and Spanish of the hotel employer's or casino employer's anti-sexual harassment policy and post the policy in English and Spanish in conspicuous places in areas of the hotel or casino, such as supply rooms or employee lunch rooms, where employees can reasonably be expected to see it. Each hotel employer and casino employer shall also make all reasonable efforts to provide employees with a current copy of its written anti-sexual harassment policy in any language other than English and Spanish that, in its sole discretion, is spoken by a predominant portion of its employees.

Section 5-15. Retaliation prohibited. It is unlawful for a hotel employer or casino employer to retaliate against an employee for:

- (1) reasonably using a safety device or notification device;
- (2) availing himself or herself of the provisions of paragraph (3), (4), or (5) of subsection (b) of Section 10; or
- (3) disclosing, reporting, or testifying about any violation of this Act or any rule adopted under this Act.

Section 5-20. Violations. An employee or representative of employees claiming a violation of this Act may bring an action against the hotel employer or casino employer in the circuit court of the county in which the hotel or casino is located and is entitled to all remedies available under the law or in equity appropriate to remedy any such violation, including, but not limited to, injunctive relief or other equitable relief including reinstatement and compensatory damages. Before a representative of employees may bring a claim under this Act, the representative must first notify the hotel employer or casino employer in writing of the alleged violation under this Act and allow the hotel employer or casino employer 15 calendar days to remedy the alleged violation. An employee or representative of employees that successfully brings a claim under this Act shall be awarded reasonable attorney's fees and costs. An award of economic damages shall not exceed \$350 for each violation. Each day that a violation continues constitutes a separate violation.

Article 6.

Section 6-5. The Illinois Governmental Ethics Act is amended by changing Sections 4A-101, 4A-102, 4A-105, 4A-106, 4A-107, and 4A-108 and by adding Sections 4A-101.5 and 4A-106.5 as follows:

(5 ILCS 420/4A-101) (from Ch. 127, par. 604A-101)

Sec. 4A-101. Persons required to file with the Secretary of State. The following persons shall file verified written statements of economic interests with the Secretary of State, as provided in this Article:

- (a) Members of the General Assembly and candidates for nomination or election to the General Assembly.
- (b) Persons holding an elected office in the Executive Branch of this State, and candidates for nomination or election to these offices.
- (c) Members of a Commission or Board created by the Illinois Constitution, and candidates for nomination or election to such Commission or Board.
- (d) Persons whose appointment to office is subject to confirmation by the Senate and persons appointed by the Governor to any other position on a board or commission described in subsection (a) of Section 15 of the Gubernatorial Boards and Commissions Act.
- (e) Holders of, and candidates for nomination or election to, the office of judge or associate judge of the Circuit Court and the office of judge of the Appellate or Supreme Court.
- (f) Persons who are employed by any branch, agency, authority or board of the government of this State, including but not limited to, the Illinois State Toll Highway Authority, the Illinois Housing Development Authority, the Illinois Community College Board, and institutions under the jurisdiction of the Board of Trustees of the University of Illinois, Board of Trustees of Southern Illinois University, Board of Trustees of Chicago State University, Board of Trustees of Eastern Illinois University, Board of Trustees of ~~Governors~~ ~~Governor's~~ State University, Board of Trustees of Illinois State University, Board of Trustees of Northeastern Illinois University, Board of Trustees of Northern Illinois University, Board of Trustees of Western Illinois University, or Board of Trustees of the Illinois Mathematics and

Science Academy, and are compensated for services as employees and not as independent contractors and who:

(1) are, or function as, the head of a department, commission, board, division, bureau, authority or other administrative unit within the government of this State, or who exercise similar authority within the government of this State;

(2) have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance or execution of contracts entered into by the State in the amount of \$5,000 or more;

(3) have authority for the issuance or promulgation of rules and regulations within areas under the authority of the State;

(4) have authority for the approval of professional licenses;

(5) have responsibility with respect to the financial inspection of regulated nongovernmental entities;

(6) adjudicate, arbitrate, or decide any judicial or administrative proceeding, or review the adjudication, arbitration or decision of any judicial or administrative proceeding within the authority of the State;

(7) have supervisory responsibility for 20 or more employees of the State;

(8) negotiate, assign, authorize, or grant naming rights or sponsorship rights regarding any property or asset of the State, whether real, personal, tangible, or intangible; or

(9) have responsibility with respect to the procurement of goods or services.

(f-5) Members of the board of commissioners of any flood prevention district created under the Flood Prevention District Act or the Beardstown Regional Flood Prevention District Act.

~~(g) (Blank). Persons who are elected to office in a unit of local government, and candidates for nomination or election to that office, including regional superintendents of school districts.~~

~~(h) (Blank). Persons appointed to the governing board of a unit of local government, or of a special district, and persons appointed to a zoning board, or zoning board of appeals, or to a regional, county, or municipal plan commission, or to a board of review of any county, and persons appointed to the Board of the Metropolitan Pier and Exposition Authority and any Trustee appointed under Section 22 of the Metropolitan Pier and Exposition Authority Act, and persons appointed to a board or commission of a unit of local government who have authority to authorize the expenditure of public funds. This subsection does not apply to members of boards or commissions who function in an advisory capacity.~~

~~(i) (Blank). Persons who are employed by a unit of local government and are compensated for services as employees and not as independent contractors and who:~~

~~(1) are, or function as, the head of a department, division, bureau, authority or other administrative unit within the unit of local government, or who exercise similar authority within the unit of local government;~~

~~(2) have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance or execution of contracts entered into by the unit of local government in the amount of \$1,000 or greater;~~

~~(3) have authority to approve licenses and permits by the unit of local government; this item does not include employees who function in a ministerial capacity;~~

~~(4) adjudicate, arbitrate, or decide any judicial or administrative proceeding, or review the adjudication, arbitration or decision of any judicial or administrative proceeding within the authority of the unit of local government;~~

~~(5) have authority to issue or promulgate rules and regulations within areas under the authority of the unit of local government; or~~

~~(6) have supervisory responsibility for 20 or more employees of the unit of local government.~~

~~(j) Persons on the Board of Trustees of the Illinois Mathematics and Science Academy.~~

~~(k) (Blank). Persons employed by a school district in positions that require that person to hold an administrative or a chief school business official endorsement.~~

(l) Special government agents. A "special government agent" is a person who is directed, retained, designated, appointed, or employed, with or without compensation, by or on behalf of a statewide executive branch constitutional officer to make an ex parte communication under Section 5-50 of the State Officials and Employees Ethics Act or Section 5-165 of the Illinois Administrative Procedure Act.

~~(m) (Blank). Members of the board of commissioners of any flood prevention district created under the Flood Prevention District Act or the Beardstown Regional Flood Prevention District Act.~~

(n) Members of the board of any retirement system or investment board established under the Illinois Pension Code, if not required to file under any other provision of this Section.

(o) ~~(Blank). Members of the board of any pension fund established under the Illinois Pension Code, if not required to file under any other provision of this Section.~~

(p) Members of the investment advisory panel created under Section 20 of the Illinois Prepaid Tuition Act.

This Section shall not be construed to prevent any unit of local government from enacting financial disclosure requirements that mandate more information than required by this Act.

(Source: P.A. 96-6, eff. 4-3-09; 96-543, eff. 8-17-09; 96-555, eff. 8-18-09; 96-1000, eff. 7-2-10; 97-309, eff. 8-11-11; 97-754, eff. 7-6-12; revised 10-10-18.)

(5 ILCS 420/4A-101.5 new)

Sec. 4A-101.5. Persons required to file with the county clerk. The following persons shall file verified written statements of economic interests with the county clerk, as provided in this Article:

(a) Persons who are elected to office in a unit of local government, and candidates for nomination or election to that office, including regional superintendents of school districts.

(b) Persons appointed to the governing board of a unit of local government, or of a special district, and persons appointed to a zoning board, or zoning board of appeals, or to a regional, county, or municipal plan commission, or to a board of review of any county, and persons appointed to the Board of the Metropolitan Pier and Exposition Authority and any Trustee appointed under Section 22 of the Metropolitan Pier and Exposition Authority Act, and persons appointed to a board or commission of a unit of local government who have authority to authorize the expenditure of public funds. This subsection (b) does not apply to members of boards or commissions who function in an advisory capacity.

(c) Persons who are employed by a unit of local government and are compensated for services as employees and not as independent contractors, and who:

(1) are, or function as, the head of a department, division, bureau, authority, or other administrative unit within the unit of local government, or who exercise similar authority within the unit of local government;

(2) have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance, or execution of contracts entered into by the unit of local government in the amount of \$1,000 or greater;

(3) have authority to approve licenses and permits by the unit of local government, but not including employees who function in a ministerial capacity;

(4) adjudicate, arbitrate, or decide any judicial or administrative proceeding, or review the adjudication, arbitration, or decision of any judicial or administrative proceeding within the authority of the unit of local government;

(5) have authority to issue or adopt rules and regulations within areas under the authority of the unit of local government; or

(6) have supervisory responsibility for 20 or more employees of the unit of local government.

(d) Persons employed by a school district in positions that require that person to hold an administrative or chief school business official endorsement.

(e) Members of the board of any pension fund established under the Illinois Pension Code, if not required to file under any other provision of this Section.

(5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

Sec. 4A-102. The statement of economic interests required by this Article shall include the economic interests of the person making the statement as provided in this Section. The interest (if constructively controlled by the person making the statement) of a spouse or any other party, shall be considered to be the same as the interest of the person making the statement. Campaign receipts shall not be included in this statement.

(a) The following interests shall be listed by all persons required to file:

(1) The name, address and type of practice of any professional organization or individual professional practice in which the person making the statement was an officer, director, associate, partner or proprietor, or served in any advisory capacity, from which income in excess of \$1200 was derived during the preceding calendar year;

(2) The nature of professional services (other than services rendered to the unit or units of government in relation to which the person is required to file) and the nature of the entity to which they were rendered if fees exceeding \$5,000 were received during the preceding calendar year from the entity for professional services rendered by the person making the statement.

(3) The identity (including the address or legal description of real estate) of any capital asset from which a capital gain of \$5,000 or more was realized in the preceding calendar year.

(4) The name of any unit of government which has employed the person making the

statement during the preceding calendar year other than the unit or units of government in relation to which the person is required to file.

(5) The name of any entity from which a gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$500, was received during the preceding calendar year.

(b) The following interests shall also be listed by persons listed in items (a) through (f), item (l), item (n), and item (p) of Section 4A-101:

(1) The name and instrument of ownership in any entity doing business in the State of Illinois, in which an ownership interest held by the person at the date of filing is in excess of \$5,000 fair market value or from which dividends of in excess of \$1,200 were derived during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description). No time or demand deposit in a financial institution, nor any debt instrument need be listed;

(2) Except for professional service entities, the name of any entity and any position held therein from which income of in excess of \$1,200 was derived during the preceding calendar year, if the entity does business in the State of Illinois. No time or demand deposit in a financial institution, nor any debt instrument need be listed.

(3) The identity of any compensated lobbyist with whom the person making the statement maintains a close economic association, including the name of the lobbyist and specifying the legislative matter or matters which are the object of the lobbying activity, and describing the general type of economic activity of the client or principal on whose behalf that person is lobbying.

(c) The following interests shall also be listed by persons listed in items (a) through (c) and item (e) ~~(g), (h), (i), and (o)~~ of Section 4A-101.5 ~~4A-101~~

(1) The name and instrument of ownership in any entity doing business with a unit of local government in relation to which the person is required to file if the ownership interest of the person filing is greater than \$5,000 fair market value as of the date of filing or if dividends in excess of \$1,200 were received from the entity during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description). No time or demand deposit in a financial institution, nor any debt instrument need be listed.

(2) Except for professional service entities, the name of any entity and any position held therein from which income in excess of \$1,200 was derived during the preceding calendar year if the entity does business with a unit of local government in relation to which the person is required to file. No time or demand deposit in a financial institution, nor any debt instrument need be listed.

(3) The name of any entity and the nature of the governmental action requested by any entity which has applied to a unit of local government in relation to which the person must file for any license, franchise or permit for annexation, zoning or rezoning of real estate during the preceding calendar year if the ownership interest of the person filing is in excess of \$5,000 fair market value at the time of filing or if income or dividends in excess of \$1,200 were received by the person filing from the entity during the preceding calendar year.

For the purposes of this Section, the unit of local government in relation to which a person required to file under item (e) ~~(o)~~ of Section 4A-101.5 ~~4A-101~~ shall be the unit of local government that contributes to the pension fund of which such person is a member of the board.

(Source: P.A. 96-6, eff. 4-3-09; 97-754, eff. 7-6-12.)

(5 ILCS 420/4A-105) (from Ch. 127, par. 604A-105)

Sec. 4A-105. Time for filing. Except as provided in Section 4A-106.1, by May 1 of each year a statement must be filed by each person whose position at that time subjects him to the filing requirements of Section 4A-101 or 4A-101.5 unless he has already filed a statement in relation to the same unit of government in that calendar year.

Statements must also be filed as follows:

(a) A candidate for elective office shall file his statement not later than the end of the period during which he can take the action necessary under the laws of this State to attempt to qualify for nomination, election, or retention to such office if he has not filed a statement in relation to the same unit of government within a year preceding such action.

(b) A person whose appointment to office is subject to confirmation by the Senate shall file his statement at the time his name is submitted to the Senate for confirmation.

(b-5) A special government agent, as defined in item (1) of Section 4A-101 of this Act, shall file a statement within 30 days after making the first ex parte communication and each May 1 thereafter if he or she has made an ex parte communication within the previous 12 months.

(c) Any other person required by this Article to file the statement shall file a statement at the time of his or her initial appointment or employment in relation to that unit of government if appointed or employed by May 1.

If any person who is required to file a statement of economic interests fails to file such statement by May 1 of any year, the officer with whom such statement is to be filed under Section 4A-106 or 4A-106.5 of this Act shall, within 7 days after May 1, notify such person by certified mail of his or her failure to file by the specified date. Except as may be prescribed by rule of the Secretary of State, such person shall file his or her statement of economic interests on or before May 15 with the appropriate officer, together with a \$15 late filing fee. Any such person who fails to file by May 15 shall be subject to a penalty of \$100 for each day from May 16 to the date of filing, which shall be in addition to the \$15 late filing fee specified above. Failure to file by May 31 shall result in a forfeiture in accordance with Section 4A-107 of this Act.

Any person who takes office or otherwise becomes required to file a statement of economic interests within 30 days prior to May 1 of any year may file his or her statement at any time on or before May 31 without penalty. If such person fails to file such statement by May 31, the officer with whom such statement is to be filed under Section 4A-106 or 4A-106.5 of this Act shall, within 7 days after May 31, notify such person by certified mail of his or her failure to file by the specified date. Such person shall file his or her statement of economic interests on or before June 15 with the appropriate officer, together with a \$15 late filing fee. Any such person who fails to file by June 15 shall be subject to a penalty of \$100 per day for each day from June 16 to the date of filing, which shall be in addition to the \$15 late filing fee specified above. Failure to file by June 30 shall result in a forfeiture in accordance with Section 4A-107 of this Act.

All late filing fees and penalties collected pursuant to this Section shall be paid into the General Revenue Fund in the State treasury, if the Secretary of State receives such statement for filing, or into the general fund in the county treasury, if the county clerk receives such statement for filing. The Attorney General, with respect to the State, and the several State's Attorneys, with respect to counties, shall take appropriate action to collect the prescribed penalties.

Failure to file a statement of economic interests within the time prescribed shall not result in a fine or ineligibility for, or forfeiture of, office or position of employment, as the case may be; provided that the failure to file results from not being included for notification by the appropriate agency, clerk, secretary, officer or unit of government, as the case may be, and that a statement is filed within 30 days of actual notice of the failure to file.

Beginning with statements required to be filed on or after May 1, 2009, the officer with whom a statement is to be filed may, in his or her discretion, waive the late filing fee, the monetary late filing penalty, and the ineligibility for or forfeiture of office or position for failure to file when the person's late filing of a statement or failure to file a statement is due to his or her (i) serious or catastrophic illness that renders the person temporarily incapable of completing the statement or (ii) military service.

(Source: P.A. 96-550, eff. 8-17-09.)

(5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

Sec. 4A-106. Persons filing statements with Secretary of State; notice; certification of list of names; alphabetical list; receipt; examination and copying of statements. The statements of economic interests required of persons listed in items (a) through (f), item (j), item (l), item (n), and item (p) of Section 4A-101 shall be filed with the Secretary of State. ~~The statements of economic interests required of persons listed in items (g), (h), (i), (k), and (o) of Section 4A-101 shall be filed with the county clerk of the county in which the principal office of the unit of local government with which the person is associated is located. If it is not apparent which county the principal office of a unit of local government is located, the chief administrative officer, or his or her designee, has the authority, for purposes of this Act, to determine the county in which the principal office is located. On or before February 1 annually, (1) the chief administrative officer of any State agency in the executive, legislative, or judicial branch employing persons required to file under item (f) or item (l) of Section 4A-101 and the chief administrative officer of a board or panel described in item (n) or (p) of Section 4A-101 shall certify to the Secretary of State the names and mailing addresses of those persons, and (2) the chief administrative officer, or his or her designee, of each unit of local government with persons described in items (h), (i) and (k) and a board described in item (o) of Section 4A-101 shall certify to the appropriate county clerk a list of names and addresses of persons described in items (h), (i), (k), and (o) of Section 4A-101 that are required to file. In preparing the lists, each chief administrative officer, or his or her designee, shall set out the names in alphabetical order.~~

On or before April 1 annually, the Secretary of State shall notify (1) all persons whose names have been certified to him under items (f), (l), (n), and (p) of Section 4A-101, and (2) all persons described in items (a) through (e) and item (j) of Section 4A-101, other than candidates for office who have filed their

statements with their nominating petitions, of the requirements for filing statements of economic interests. A person required to file with the Secretary of State by virtue of more than one position as listed in Section 4A-101, and filing his or her statement of economic interests in writing, rather than through the Internet-based system, item among items (a) through (f) and items (j), (l), (n), and (p) shall be notified of and is required to file only one statement of economic interests relating to all items under which the person is required to file with the Secretary of State.

On or before April 1 annually, the county clerk of each county shall notify all persons whose names have been certified to him under items (g), (h), (i), (k), and (o) of Section 4A-101, other than candidates for office who have filed their statements with their nominating petitions, of the requirements for filing statements of economic interests. A person required to file with a county clerk by virtue of more than one item among items (g), (h), (i), (k), and (o) shall be notified of and is required to file only one statement of economic interests relating to all items under which the person is required to file with that county clerk.

Except as provided in Section 4A-106.1, the notices provided for in this Section shall be in writing and deposited in the U.S. Mail, properly addressed, first class postage prepaid, on or before the day required by this Section for the sending of the notice. Alternatively, a county clerk may send the notices electronically to all persons whose names have been thus certified to him under item (h), (i), or (k) of Section 4A-101. A certificate executed by the Secretary of State or county clerk attesting that he or she has sent the notice by the means permitted by this Section constitutes prima facie evidence thereof.

From the lists certified to him under this Section of persons described in items (g), (h), (i), (k), and (o) of Section 4A-101, the clerk of each county shall compile an alphabetical listing of persons required to file statements of economic interests in his office under any of those items. As the statements are filed in his office, the county clerk shall cause the fact of that filing to be indicated on the alphabetical listing of persons who are required to file statements. Within 30 days after the due dates, the county clerk shall mail to the State Board of Elections a true copy of that listing showing those who have filed statements.

The county clerk of each county shall note upon the alphabetical listing the names of all persons required to file a statement of economic interests who failed to file a statement on or before May 1. It shall be the duty of the several county clerks to give notice as provided in Section 4A-105 to any person who has failed to file his or her statement with the clerk on or before May 1.

Any person who files or has filed a statement of economic interest under this Section Act is entitled to receive from the Secretary of State or county clerk, as the case may be, a receipt indicating that the person has filed such a statement, the date of such filing, and the identity of the governmental unit or units in relation to which the filing is required.

The Secretary of State may employ such employees and consultants as he considers necessary to carry out his duties hereunder, and may prescribe their duties, fix their compensation, and provide for reimbursement of their expenses.

All statements of economic interests filed under this Section shall be available for examination and copying by the public at all reasonable times. Not later than 12 months after the effective date of this amendatory Act of the 93rd General Assembly, beginning with statements filed in calendar year 2004, the Secretary of State shall make statements of economic interests filed with the Secretary available for inspection and copying via the Secretary's website.

(Source: P.A. 96-6, eff. 4-3-09; 96-1336, eff. 1-1-11; 97-754, eff. 7-6-12.)

(5 ILCS 420/4A-106.5 new)

Sec. 4A-106.5. Persons filing statements with county clerk; notice; certification of list of names; alphabetical list; receipt; examination and copying of statements. The statements of economic interests required of persons listed in Section 4A-101.5 shall be filed with the county clerk of the county in which the principal office of the unit of local government with which the person is associated is located. If it is not apparent which county the principal office of a unit of local government is located, the chief administrative officer, or his or her designee, has the authority, for purposes of this Act, to determine the county in which the principal office is located. The chief administrative officer, or his or her designee, of each unit of local government with persons described in Section 4A-101.5 shall certify to the appropriate county clerk a list of names and addresses of persons that are required to file. In preparing the lists, each chief administrative officer, or his or her designee, shall set out the names in alphabetical order.

On or before April 1 annually, the county clerk of each county shall notify all persons whose names have been certified to him under Section 4A-101.5, other than candidates for office who have filed their statements with their nominating petitions, of the requirements for filing statements of economic interests. A person required to file with a county clerk by virtue of more than one item among items set forth in Section 4A-101.5 shall be notified of and is required to file only one statement of economic interests relating to all items under which the person is required to file with that county clerk.

Except as provided in Section 4A-106.1, the notices provided for in this Section shall be in writing and deposited in the U.S. Mail, properly addressed, first class postage prepaid, on or before the day required by this Section for the sending of the notice. Alternatively, a county clerk may send the notices electronically to all persons whose names have been thus certified to him. A certificate executed by a county clerk attesting that he or she has sent the notice by the means permitted by this Section constitutes prima facie evidence thereof.

From the lists certified to him or her under this Section of persons described in Section 4A-101.5, the clerk of each county shall compile an alphabetical listing of persons required to file statements of economic interests in his or her office under any of those items. As the statements are filed in his or her office, the county clerk shall cause the fact of that filing to be indicated on the alphabetical listing of persons who are required to file statements. Within 30 days after the due dates, the county clerk shall mail to the State Board of Elections a true copy of that listing showing those who have filed statements.

The county clerk of each county shall note upon the alphabetical listing the names of all persons required to file a statement of economic interests who failed to file a statement on or before May 1. It shall be the duty of the several county clerks to give notice as provided in Section 4A-105 to any person who has failed to file his or her statement with the clerk on or before May 1.

Any person who files or has filed a statement of economic interest under this Section is entitled to receive from the county clerk a receipt indicating that the person has filed such a statement, the date of filing, and the identity of the governmental unit or units in relation to which the filing is required.

All statements of economic interests filed under this Section shall be available for examination and copying by the public at all reasonable times.

(5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

Sec. 4A-107. Any person required to file a statement of economic interests under this Article who willfully files a false or incomplete statement shall be guilty of a Class A misdemeanor.

Except when the fees and penalties for late filing have been waived under Section 4A-105, failure to file a statement within the time prescribed shall result in ineligibility for, or forfeiture of, office or position of employment, as the case may be; provided, however, that if the notice of failure to file a statement of economic interests provided in Section 4A-105 of this Act is not given by the Secretary of State or the county clerk, as the case may be, no forfeiture shall result if a statement is filed within 30 days of actual notice of the failure to file. The Secretary of State shall provide the Attorney General with the names of persons who failed to file a statement. The county clerk shall provide the State's Attorney of the county of the entity for which the filing of statement of economic interest is required with the name of persons who failed to file a statement.

The Attorney General, with respect to offices or positions described in items (a) through (f) and items (j), (l), (n), and (p) of Section 4A-101 of this Act, or the State's Attorney of the county of the entity for which the filing of statements of economic interests is required, with respect to offices or positions described in items ~~(a) through (e) (g) through (i), item (k), and item (o)~~ of Section ~~4A-101.5~~ ~~4A-101~~ of this Act, shall bring an action in quo warranto against any person who has failed to file by either May 31 or June 30 of any given year and for whom the fees and penalties for late filing have not been waived under Section 4A-105.

(Source: P.A. 96-6, eff. 4-3-09; 96-550, eff. 8-17-09; 96-1000, eff. 7-2-10; 97-754, eff. 7-6-12.)

(5 ILCS 420/4A-108)

Sec. 4A-108. Internet-based systems of filing.

(a) Notwithstanding any other provision of this Act or any other law, the Secretary of State and county clerks are authorized to institute an Internet-based system for the filing of statements of economic interests in their offices. With respect to county clerk systems, the determination to institute such a system shall be in the sole discretion of the county clerk and shall meet the requirements set out in this Section. With respect to a Secretary of State system, the determination to institute such a system shall be in the sole discretion of the Secretary of State and shall meet the requirements set out in this Section and those Sections of the State Officials and Employees Ethics Act requiring ethics officer review prior to filing. The system shall be capable of allowing an ethics officer to approve a statement of economic interests and shall include a means to amend a statement of economic interests. When this Section does not modify or remove the requirements set forth elsewhere in this Article, those requirements shall apply to any system of Internet-based filing authorized by this Section. When this Section does modify or remove the requirements set forth elsewhere in this Article, the provisions of this Section shall apply to any system of Internet-based filing authorized by this Section.

(b) In any system of Internet-based filing of statements of economic interests instituted by the Secretary of State or a county clerk:

(1) Any filing of an Internet-based statement of economic interests shall be the

equivalent of the filing of a verified, written statement of economic interests as required by Section 4A-101 or 4A-101.5 and the equivalent of the filing of a verified, dated, and signed statement of economic interests as required by Section 4A-104.

(2) The Secretary of State and county clerks who institute a system of Internet-based filing of statements of economic interests shall establish a password-protected website to receive the filings of such statements. A website established under this Section shall set forth and provide a means of responding to the items set forth in Section 4A-102 that are required of a person who files a statement of economic interests with that officer. A website established under this Section shall set forth and provide a means of generating a printable receipt page acknowledging filing.

(3) The times for the filing of statements of economic interests set forth in Section 4A-105 shall be followed in any system of Internet-based filing of statements of economic interests; provided that a candidate for elective office who is required to file a statement of economic interests in relation to his or her candidacy pursuant to Section 4A-105(a) shall receive a written or printed receipt for his or her filing.

A candidate filing for Governor, Lieutenant Governor, Attorney General, Secretary of State, Treasurer, Comptroller, State Senate, or State House of Representatives shall not use the Internet to file his or her statement of economic interests, but shall file his or her statement of economic interests in a written or printed form and shall receive a written or printed receipt for his or her filing. Annually, the duly appointed ethics officer for each legislative caucus shall certify to the Secretary of State whether his or her caucus members will file their statements of economic interests electronically or in a written or printed format for that year. If the ethics officer for a caucus certifies that the statements of economic interests shall be written or printed, then members of the General Assembly of that caucus shall not use the Internet to file his or her statement of economic interests, but shall file his or her statement of economic interests in a written or printed form and shall receive a written or printed receipt for his or her filing. If no certification is made by an ethics officer for a legislative caucus, or if a member of the General Assembly is not affiliated with a legislative caucus, then the affected member or members of the General Assembly may file their statements of economic interests using the Internet.

(4) In the first year of the implementation of a system of Internet-based filing of statements of economic interests, each person required to file such a statement is to be notified in writing of his or her obligation to file his or her statement of economic interests by way of the Internet-based system. If access to the web site requires a code or password, this information shall be included in the notice prescribed by this paragraph.

(5) When a person required to file a statement of economic interests has supplied the Secretary of State or a county clerk, as applicable, with an email address for the purpose of receiving notices under this Article by email, a notice sent by email to the supplied email address shall be the equivalent of a notice sent by first class mail, as set forth in Section 4A-106 or 4A-106.5. A person who has supplied such an email address shall notify the Secretary of State or county clerk, as applicable, when his or her email address changes or if he or she no longer wishes to receive notices by email.

(6) If any person who is required to file a statement of economic interests and who has chosen to receive notices by email fails to file his or her statement by May 10, then the Secretary of State or county clerk, as applicable, shall send an additional email notice on that date, informing the person that he or she has not filed and describing the penalties for late filing and failing to file. This notice shall be in addition to other notices provided for in this Article.

(7) The Secretary of State and each county clerk who institutes a system of Internet-based filing of statements of economic interests may also institute an Internet-based process for the filing of the list of names and addresses of persons required to file statements of economic interests by the chief administrative officers that must file such information with the Secretary of State or county clerk, as applicable, pursuant to Section 4A-106 or 4A-106.5. Whenever the Secretary of State or a county clerk institutes such a system under this paragraph, every chief administrative officer must use the system to file this information.

(8) The Secretary of State and any county clerk who institutes a system of Internet-based filing of statements of economic interests shall post the contents of such statements filed with him or her available for inspection and copying on a publicly accessible website. Such postings shall not include the addresses or signatures of the filers.

(Source: P.A. 99-108, eff. 7-22-15; 100-1041, eff. 1-1-19.)

Section 6-10. The State Officials and Employees Ethics Act is amended by changing Sections 5-10.5, 20-5, 20-10, 20-50, 25-5, 25-10, 25-50, and 70-5 and by adding Sections 20-63 and 25-63 as follows:
(5 ILCS 430/5-10.5)

[June 2, 2019]

Sec. 5-10.5. Harassment and discrimination prevention Sexual harassment training.

(a) Until 2020, each Each officer, member, and employee must complete, at least annually beginning in 2018, a sexual harassment training program. A person who fills a vacancy in an elective or appointed position that requires training under this Section must complete his or her initial sexual harassment training program within 30 days after commencement of his or her office or employment. The training shall include, at a minimum, the following: (i) the definition, and a description, of sexual harassment utilizing examples; (ii) details on how an individual can report an allegation of sexual harassment, including options for making a confidential report to a supervisor, ethics officer, Inspector General, or the Department of Human Rights; (iii) the definition, and description of, retaliation for reporting sexual harassment allegations utilizing examples, including availability of whistleblower protections under this Act, the Whistleblower Act, and the Illinois Human Rights Act; and (iv) the consequences of a violation of the prohibition on sexual harassment and the consequences for knowingly making a false report. Proof of completion must be submitted to the applicable ethics officer. Sexual harassment training programs shall be overseen by the appropriate Ethics Commission and Inspector General appointed under this Act.

(a-5) Beginning in 2020, each officer, member, and employee must complete, at least annually, a harassment and discrimination prevention training program. A person who fills a vacancy in an elective or appointed position that requires training under this subsection must complete his or her initial harassment and discrimination prevention training program within 30 days after commencement of his or her office or employment. The training shall include, at a minimum, the following: (i) the definition and a description of sexual harassment, unlawful discrimination, and harassment, including examples of each; (ii) details on how an individual can report an allegation of sexual harassment, unlawful discrimination, or harassment, including options for making a confidential report to a supervisor, ethics officer, Inspector General, or the Department of Human Rights; (iii) the definition and description of retaliation for reporting sexual harassment, unlawful discrimination, or harassment allegations utilizing examples, including availability of whistleblower protections under this Act, the Whistleblower Act, and the Illinois Human Rights Act; and (iv) the consequences of a violation of the prohibition on sexual harassment, unlawful discrimination, and harassment and the consequences for knowingly making a false report. Proof of completion must be submitted to the applicable ethics officer. Harassment and discrimination training programs shall be overseen by the appropriate Ethics Commission and Inspector General appointed under this Act.

For the purposes of this subsection, "unlawful discrimination" and "harassment" refers to discrimination and harassment prohibited under Section 2-102 of the Illinois Human Rights Act.

(b) Each ultimate jurisdictional authority shall submit to the applicable Ethics Commission, at least annually, or more frequently as required by that Commission, a report that summarizes the sexual harassment training program that was completed during the previous year, and lays out the plan for the training program in the coming year. The report shall include the names of individuals that failed to complete the required training program. Each Ethics Commission shall make the reports available on its website.

(Source: P.A. 100-554, eff. 11-16-17.)

(5 ILCS 430/20-5)

Sec. 20-5. Executive Ethics Commission.

(a) The Executive Ethics Commission is created.

(b) The Executive Ethics Commission shall consist of 9 commissioners. The Governor shall appoint 5 commissioners, and the Attorney General, Secretary of State, Comptroller, and Treasurer shall each appoint one commissioner. Appointments shall be made by and with the advice and consent of the Senate by three-fifths of the elected members concurring by record vote. Any nomination not acted upon by the Senate within 60 session days of the receipt thereof shall be deemed to have received the advice and consent of the Senate. If, during a recess of the Senate, there is a vacancy in an office of commissioner, the appointing authority shall make a temporary appointment until the next meeting of the Senate when the appointing authority shall make a nomination to fill that office. No person rejected for an office of commissioner shall, except by the Senate's request, be nominated again for that office at the same session of the Senate or be appointed to that office during a recess of that Senate. No more than 5 commissioners may be of the same political party.

The terms of the initial commissioners shall commence upon qualification. Four initial appointees of the Governor, as designated by the Governor, shall serve terms running through June 30, 2007. One initial appointee of the Governor, as designated by the Governor, and the initial appointees of the Attorney General, Secretary of State, Comptroller, and Treasurer shall serve terms running through June 30, 2008. The initial appointments shall be made within 60 days after the effective date of this Act.

After the initial terms, commissioners shall serve for 4-year terms commencing on July 1 of the year of appointment and running through June 30 of the fourth following year. Commissioners may be reappointed to one or more subsequent terms.

Vacancies occurring other than at the end of a term shall be filled by the appointing authority only for the balance of the term of the commissioner whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The appointing authorities shall appoint commissioners who have experience holding governmental office or employment and shall appoint commissioners from the general public. A person is not eligible to serve as a commissioner if that person (i) has been convicted of a felony or a crime of dishonesty or moral turpitude, (ii) is, or was within the preceding 12 months, engaged in activities that require registration under the Lobbyist Registration Act, (iii) is related to the appointing authority, or (iv) is a State officer or employee.

(d) The Executive Ethics Commission shall have jurisdiction over all officers and employees of State agencies other than the General Assembly, the Senate, the House of Representatives, the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Senate Operations Commission, the legislative support services agencies, and the Office of the Auditor General. The Executive Ethics Commission shall have jurisdiction over all board members and employees of Regional Transit Boards. The jurisdiction of the Commission is limited to matters arising under this Act, except as provided in subsection (d-5).

A member or legislative branch State employee serving on an executive branch board or commission remains subject to the jurisdiction of the Legislative Ethics Commission and is not subject to the jurisdiction of the Executive Ethics Commission.

(d-5) The Executive Ethics Commission shall have jurisdiction over all chief procurement officers and procurement compliance monitors and their respective staffs. The Executive Ethics Commission shall have jurisdiction over any matters arising under the Illinois Procurement Code if the Commission is given explicit authority in that Code.

(d-6) (1) The Executive Ethics Commission shall have jurisdiction over the Illinois Power Agency and its staff. The Director of the Agency shall be appointed by a majority of the commissioners of the Executive Ethics Commission, subject to Senate confirmation, for a term of 2 years. The Director is removable for cause by a majority of the Commission upon a finding of neglect, malfeasance, absence, or incompetence.

(2) In case of a vacancy in the office of Director of the Illinois Power Agency during a recess of the Senate, the Executive Ethics Commission may make a temporary appointment until the next meeting of the Senate, at which time the Executive Ethics Commission shall nominate some person to fill the office, and any person so nominated who is confirmed by the Senate shall hold office during the remainder of the term and until his or her successor is appointed and qualified. Nothing in this subsection shall prohibit the Executive Ethics Commission from removing a temporary appointee or from appointing a temporary appointee as the Director of the Illinois Power Agency.

(3) Prior to June 1, 2012, the Executive Ethics Commission may, until the Director of the Illinois Power Agency is appointed and qualified or a temporary appointment is made pursuant to paragraph (2) of this subsection, designate some person as an acting Director to execute the powers and discharge the duties vested by law in that Director. An acting Director shall serve no later than 60 calendar days, or upon the making of an appointment pursuant to paragraph (1) or (2) of this subsection, whichever is earlier. Nothing in this subsection shall prohibit the Executive Ethics Commission from removing an acting Director or from appointing an acting Director as the Director of the Illinois Power Agency.

(4) No person rejected by the Senate for the office of Director of the Illinois Power Agency shall, except at the Senate's request, be nominated again for that office at the same session or be appointed to that office during a recess of that Senate.

(d-7) The Executive Ethics Commission shall have jurisdiction over complainants in violation of subsection (e) of Section 20-63.

(e) The Executive Ethics Commission must meet, either in person or by other technological means, at least monthly and as often as necessary. At the first meeting of the Executive Ethics Commission, the commissioners shall choose from their number a chairperson and other officers that they deem appropriate. The terms of officers shall be for 2 years commencing July 1 and running through June 30 of the second following year. Meetings shall be held at the call of the chairperson or any 3 commissioners. Official action by the Commission shall require the affirmative vote of 5 commissioners, and a quorum shall consist of 5 commissioners. Commissioners shall receive compensation in an amount equal to the compensation of members of the State Board of Elections and may be reimbursed for their reasonable expenses actually incurred in the performance of their duties.

(f) No commissioner or employee of the Executive Ethics Commission may during his or her term of appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
- (3) be actively involved in the affairs of any political party or political organization; or

(4) advocate for the appointment of another person to an appointed or elected office or position or actively participate in any campaign for any elective office.

(g) An appointing authority may remove a commissioner only for cause.

(h) The Executive Ethics Commission shall appoint an Executive Director. The compensation of the Executive Director shall be as determined by the Commission. The Executive Director of the Executive Ethics Commission may employ and determine the compensation of staff, as appropriations permit.

(i) The Executive Ethics Commission shall appoint, by a majority of the members appointed to the Commission, chief procurement officers and may appoint procurement compliance monitors in accordance with the provisions of the Illinois Procurement Code. The compensation of a chief procurement officer and procurement compliance monitor shall be determined by the Commission.

(Source: P.A. 100-43, eff. 8-9-17.)

(5 ILCS 430/20-10)

Sec. 20-10. Offices of Executive Inspectors General.

(a) Five independent Offices of the Executive Inspector General are created, one each for the Governor, the Attorney General, the Secretary of State, the Comptroller, and the Treasurer. Each Office shall be under the direction and supervision of an Executive Inspector General and shall be a fully independent office with separate appropriations.

(b) The Governor, Attorney General, Secretary of State, Comptroller, and Treasurer shall each appoint an Executive Inspector General, without regard to political affiliation and solely on the basis of integrity and demonstrated ability. Appointments shall be made by and with the advice and consent of the Senate by three-fifths of the elected members concurring by record vote. Any nomination not acted upon by the Senate within 60 session days of the receipt thereof shall be deemed to have received the advice and consent of the Senate. If, during a recess of the Senate, there is a vacancy in an office of Executive Inspector General, the appointing authority shall make a temporary appointment until the next meeting of the Senate when the appointing authority shall make a nomination to fill that office. No person rejected for an office of Executive Inspector General shall, except by the Senate's request, be nominated again for that office at the same session of the Senate or be appointed to that office during a recess of that Senate.

Nothing in this Article precludes the appointment by the Governor, Attorney General, Secretary of State, Comptroller, or Treasurer of any other inspector general required or permitted by law. The Governor, Attorney General, Secretary of State, Comptroller, and Treasurer each may appoint an existing inspector general as the Executive Inspector General required by this Article, provided that such an inspector general is not prohibited by law, rule, jurisdiction, qualification, or interest from serving as the Executive Inspector General required by this Article. An appointing authority may not appoint a relative as an Executive Inspector General.

Each Executive Inspector General shall have the following qualifications:

(1) has not been convicted of any felony under the laws of this State, another State, or the United States;

(2) has earned a baccalaureate degree from an institution of higher education; and

(3) has 5 or more years of cumulative service (A) with a federal, State, or local law enforcement agency, at least 2 years of which have been in a progressive investigatory capacity; (B) as a federal, State, or local prosecutor; (C) as a senior manager or executive of a federal, State, or local agency; (D) as a member, an officer, or a State or federal judge; or (E) representing any combination of (A) through (D).

The term of each initial Executive Inspector General shall commence upon qualification and shall run through June 30, 2008. The initial appointments shall be made within 60 days after the effective date of this Act.

After the initial term, each Executive Inspector General shall serve for 5-year terms commencing on July 1 of the year of appointment and running through June 30 of the fifth following year. An Executive Inspector General may be reappointed to one or more subsequent terms.

A vacancy occurring other than at the end of a term shall be filled by the appointing authority only for the balance of the term of the Executive Inspector General whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The Executive Inspector General appointed by the Attorney General shall have jurisdiction over the Attorney General and all officers and employees of, and vendors and others doing business with, State agencies within the jurisdiction of the Attorney General. The Executive Inspector General appointed by the Secretary of State shall have jurisdiction over the Secretary of State and all officers and employees of, and vendors and others doing business with, State agencies within the jurisdiction of the Secretary of State. The Executive Inspector General appointed by the Comptroller shall have jurisdiction over the Comptroller and all officers and employees of, and vendors and others doing business with, State agencies within the jurisdiction of the Comptroller. The Executive Inspector General appointed by the Treasurer shall have jurisdiction over the Treasurer and all officers and employees of, and vendors and others doing business with, State agencies within the jurisdiction of the Treasurer. The Executive Inspector General appointed by the Governor shall have jurisdiction over (i) the Governor, (ii) the Lieutenant Governor, (iii) all officers and employees of, and vendors and others doing business with, executive branch State agencies under the jurisdiction of the Executive Ethics Commission and not within the jurisdiction of the Attorney General, the Secretary of State, the Comptroller, or the Treasurer, and (iv) all board members and employees of the Regional Transit Boards and all vendors and others doing business with the Regional Transit Boards.

The jurisdiction of each Executive Inspector General is to investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of this Act or violations of other related laws and rules.

Each Executive Inspector General shall have jurisdiction over complainants in violation of subsection (e) of Section 20-63 for disclosing a summary report prepared by the respective Executive Inspector General.

(d) The compensation for each Executive Inspector General shall be determined by the Executive Ethics Commission and shall be made from appropriations made to the Comptroller for this purpose. Subject to Section 20-45 of this Act, each Executive Inspector General has full authority to organize his or her Office of the Executive Inspector General, including the employment and determination of the compensation of staff, such as deputies, assistants, and other employees, as appropriations permit. A separate appropriation shall be made for each Office of Executive Inspector General.

(e) No Executive Inspector General or employee of the Office of the Executive Inspector General may, during his or her term of appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
- (3) be actively involved in the affairs of any political party or political organization; or
- (4) advocate for the appointment of another person to an appointed or elected office or position or actively participate in any campaign for any elective office.

In this subsection an appointed public office means a position authorized by law that is filled by an appointing authority as provided by law and does not include employment by hiring in the ordinary course of business.

(e-1) No Executive Inspector General or employee of the Office of the Executive Inspector General may, for one year after the termination of his or her appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any elected public office; or
- (3) hold any appointed State, county, or local judicial office.

(e-2) The requirements of item (3) of subsection (e-1) may be waived by the Executive Ethics Commission.

(f) An Executive Inspector General may be removed only for cause and may be removed only by the appointing constitutional officer. At the time of the removal, the appointing constitutional officer must report to the Executive Ethics Commission the justification for the removal.

(Source: P.A. 96-555, eff. 8-18-09; 96-1528, eff. 7-1-11.)

(5 ILCS 430/20-50)

Sec. 20-50. Investigation reports.

(a) If an Executive Inspector General, upon the conclusion of an investigation, determines that reasonable cause exists to believe that a violation has occurred, then the Executive Inspector General shall issue a summary report of the investigation. The report shall be delivered to the appropriate ultimate jurisdictional authority and to the head of each State agency affected by or involved in the investigation, if appropriate. The appropriate ultimate jurisdictional authority or agency head shall respond to the summary report within 20 days, in writing, to the Executive Inspector General. The response shall include

a description of any corrective or disciplinary action to be imposed. If the appropriate ultimate jurisdictional authority does not respond within 20 days, or within an extended time period as agreed to by the Executive Inspector General, an Executive Inspector General may proceed under subsection (c) as if a response had been received.

(b) The summary report of the investigation shall include the following:

(1) A description of any allegations or other information received by the Executive Inspector General pertinent to the investigation.

(2) A description of any alleged misconduct discovered in the course of the investigation.

(3) Recommendations for any corrective or disciplinary action to be taken in response to any alleged misconduct described in the report, including but not limited to discharge.

(4) Other information the Executive Inspector General deems relevant to the investigation or resulting recommendations.

(c) Within 30 days after receiving a response from the appropriate ultimate jurisdictional authority or agency head under subsection (a), the Executive Inspector General shall notify the Commission and the Attorney General if the Executive Inspector General believes that a complaint should be filed with the Commission. If the Executive Inspector General desires to file a complaint with the Commission, the Executive Inspector General shall submit the summary report and supporting documents to the Attorney General. If the Attorney General concludes that there is insufficient evidence that a violation has occurred, the Attorney General shall notify the Executive Inspector General and the Executive Inspector General shall deliver to the Executive Ethics Commission a copy of the summary report and response from the ultimate jurisdictional authority or agency head. If the Attorney General determines that reasonable cause exists to believe that a violation has occurred, then the Executive Inspector General, represented by the Attorney General, may file with the Executive Ethics Commission a complaint. The complaint shall set forth the alleged violation and the grounds that exist to support the complaint. The complaint must be filed with the Commission within 12 months after the Executive Inspector General's receipt of the allegation of the violation ~~18 months after the most recent act of the alleged violation or of a series of alleged violations~~ except where there is reasonable cause to believe that fraudulent concealment has occurred. To constitute fraudulent concealment sufficient to toll this limitations period, there must be an affirmative act or representation calculated to prevent discovery of the fact that a violation has occurred. If a complaint is not filed with the Commission within 6 months after notice by the Inspector General to the Commission and the Attorney General, then the Commission may set a meeting of the Commission at which the Attorney General shall appear and provide a status report to the Commission.

(c-5) Within 30 days after receiving a response from the appropriate ultimate jurisdictional authority or agency head under subsection (a), if the Executive Inspector General does not believe that a complaint should be filed, the Executive Inspector General shall deliver to the Executive Ethics Commission a statement setting forth the basis for the decision not to file a complaint and a copy of the summary report and response from the ultimate jurisdictional authority or agency head. An Inspector General may also submit a redacted version of the summary report and response from the ultimate jurisdictional authority if the Inspector General believes either contains information that, in the opinion of the Inspector General, should be redacted prior to releasing the report, may interfere with an ongoing investigation, or identifies an informant or complainant.

(c-10) If, after reviewing the documents, the Commission believes that further investigation is warranted, the Commission may request that the Executive Inspector General provide additional information or conduct further investigation. The Commission may also appoint a Special Executive Inspector General to investigate or refer the summary report and response from the ultimate jurisdictional authority to the Attorney General for further investigation or review. If the Commission requests the Attorney General to investigate or review, the Commission must notify the Attorney General and the Inspector General. The Attorney General may not begin an investigation or review until receipt of notice from the Commission. If, after review, the Attorney General determines that reasonable cause exists to believe that a violation has occurred, then the Attorney General may file a complaint with the Executive Ethics Commission. If the Attorney General concludes that there is insufficient evidence that a violation has occurred, the Attorney General shall notify the Executive Ethics Commission and the appropriate Executive Inspector General.

(d) A copy of the complaint filed with the Executive Ethics Commission must be served on all respondents named in the complaint and on each respondent's ultimate jurisdictional authority in the same manner as process is served under the Code of Civil Procedure.

(e) A respondent may file objections to the complaint within 30 days after notice of the petition has been served on the respondent.

(f) The Commission shall meet, either in person or by telephone, at least 30 days after the complaint is served on all respondents in a closed session to review the sufficiency of the complaint. The Commission shall issue notice by certified mail, return receipt requested, to the Executive Inspector General, Attorney General, and all respondents of the Commission's ruling on the sufficiency of the complaint. If the complaint is deemed to sufficiently allege a violation of this Act, then the Commission shall include a hearing date scheduled within 4 weeks after the date of the notice, unless all of the parties consent to a later date. If the complaint is deemed not to sufficiently allege a violation, then the Commission shall send by certified mail, return receipt requested, a notice to the Executive Inspector General, Attorney General, and all respondents of the decision to dismiss the complaint.

(g) On the scheduled date the Commission shall conduct a closed meeting, either in person or, if the parties consent, by telephone, on the complaint and allow all parties the opportunity to present testimony and evidence. All such proceedings shall be transcribed.

(h) Within an appropriate time limit set by rules of the Executive Ethics Commission, the Commission shall (i) dismiss the complaint, (ii) issue a recommendation of discipline to the respondent and the respondent's ultimate jurisdictional authority, (iii) impose an administrative fine upon the respondent, (iv) issue injunctive relief as described in Section 50-10, or (v) impose a combination of (ii) through (iv).

(i) The proceedings on any complaint filed with the Commission shall be conducted pursuant to rules promulgated by the Commission.

(j) The Commission may designate hearing officers to conduct proceedings as determined by rule of the Commission.

(k) In all proceedings before the Commission, the standard of proof is by a preponderance of the evidence.

(l) Within 30 days after the issuance of a final administrative decision that concludes that a violation occurred, the Executive Ethics Commission shall make public the entire record of proceedings before the Commission, the decision, any recommendation, any discipline imposed, and the response from the agency head or ultimate jurisdictional authority to the Executive Ethics Commission.

(Source: P.A. 100-588, eff. 6-8-18.)

(5 ILCS 430/20-63 new)

Sec. 20-63. Rights of persons subjected to discrimination, harassment, or sexual harassment.

(a) As used in this Section, "complainant" means a known person identified in a complaint filed with an Executive Inspector General as a person subjected to alleged discrimination, harassment, or sexual harassment in violation of Section 5-65 of this Act, subsection (a) of Section 4.7 of the Lobbyist Registration Act, or Article 2 of the Illinois Human Rights Act, regardless of whether the complaint is filed by the person.

(b) A complainant shall have the following rights:

(1) within 5 business days of the Executive Inspector General receiving a complaint in which the complainant is identified, to be notified by the Executive Inspector General of the receipt of the complaint, the complainant's rights, and an explanation of the process, rules, and procedures related to the investigation of an allegation, and the duties of the Executive Inspector General and the Executive Ethics Commission;

(2) within 5 business days after the Executive Inspector General's decision to open or close an investigation into the complaint or refer the complaint to another appropriate agency, to be notified of the Executive Inspector General's decision; however, if the Executive Inspector General reasonably determines that publicly acknowledging the existence of an investigation would interfere with the conduct or completion of that investigation, the notification may be withheld until public acknowledgment of the investigation would no longer interfere with that investigation;

(3) to review statements and evidence given to the Executive Inspector General by the complainant and the Executive Inspector General's summarization of those statements and evidence, if such summary exists. The complainant may make suggestions of changes for the Executive Inspector General's consideration, but the Executive Inspector General shall have the final authority to determine what statements, evidence, and summaries are included in any report of the investigation;

(4) to have a union representative, attorney, co-worker, or other support person who is not involved in the investigation, at the complainant's expense, present at any interview or meeting, whether in person or by telephone or audio-visual communication, between the complainant and the Executive Inspector General or Executive Ethics Commission;

(5) to submit an impact statement that shall be included with the Executive Inspector General's summary report to the Executive Ethics Commission for its consideration;

(6) to testify at a hearing held under subsection (g) of Section 20-50, to the extent the hearing is based on an allegation of a violation of Section 5-65 of this Act or subsection (a) of Section 4.7 of the Lobbyist

Registration Act involving the complainant, and have a single union representative, attorney, co-worker, or other support person who is not involved in the investigation, at the complainant's expense, accompany him or her while testifying;

(7) to review, within 5 business days prior to its release, any portion of a summary report of the investigation subject to public release under this Article related to the allegations concerning the complainant, after redactions made by the Executive Ethics Commission, and offer suggestions for redaction or provide a response that shall be made public with the summary report; and

(8) to file a complaint with the Executive Ethics Commission for any violation of the complainant's rights under this Section by the Executive Inspector General.

(c) The complainant shall have the sole discretion in determining whether to exercise the rights set forth in this Section. All rights under this Section shall be waived if the complainant fails to cooperate with the Executive Inspector General's investigation of the complaint.

(d) The notice requirements imposed on Inspectors General by this Section shall be waived if the Inspector General is unable to identify or locate the complainant.

(e) A complainant receiving a copy of any summary report, in whole or in part, under this Section shall keep the report confidential and shall not disclose the report prior to the publication of the report by the Executive Ethics Commission. A complainant that violates this subsection (e) shall be subject to an administrative fine by the Executive Ethics Commission of up to \$5,000.

(5 ILCS 430/25-5)

Sec. 25-5. Legislative Ethics Commission.

(a) The Legislative Ethics Commission is created.

(b) The Legislative Ethics Commission shall consist of 8 commissioners appointed 2 each by the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives.

The terms of the initial commissioners shall commence upon qualification. Each appointing authority shall designate one appointee who shall serve for a 2-year term running through June 30, 2005. Each appointing authority shall designate one appointee who shall serve for a 4-year term running through June 30, 2007. The initial appointments shall be made within 60 days after the effective date of this Act.

After the initial terms, commissioners shall serve for 4-year terms commencing on July 1 of the year of appointment and running through June 30 of the fourth following year. Commissioners may be reappointed to one or more subsequent terms.

Vacancies occurring other than at the end of a term shall be filled by the appointing authority only for the balance of the term of the commissioner whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The appointing authorities shall appoint commissioners who have experience holding governmental office or employment and may appoint commissioners who are members of the General Assembly as well as commissioners from the general public. A commissioner who is a member of the General Assembly must recuse himself or herself from participating in any matter relating to any investigation or proceeding in which he or she is the subject or is a complainant. A person is not eligible to serve as a commissioner if that person (i) has been convicted of a felony or a crime of dishonesty or moral turpitude, (ii) is, or was within the preceding 12 months, engaged in activities that require registration under the Lobbyist Registration Act, (iii) is a relative of the appointing authority, (iv) is a State officer or employee other than a member of the General Assembly, or (v) is a candidate for statewide office, federal office, or judicial office.

(c-5) If a commissioner is required to recuse himself or herself from participating in a matter as provided in subsection (c), the recusal shall create a temporary vacancy for the limited purpose of consideration of the matter for which the commissioner recused himself or herself, and the appointing authority for the recusing commissioner shall make a temporary appointment to fill the vacancy for consideration of the matter for which the commissioner recused himself or herself.

(d) The Legislative Ethics Commission shall have jurisdiction over current and former members of the General Assembly regarding events occurring during a member's term of office and current and former State employees regarding events occurring during any period of employment where the State employee's ultimate jurisdictional authority is (i) a legislative leader, (ii) the Senate Operations Commission, or (iii) the Joint Committee on Legislative Support Services. The Legislative Ethics Commission shall have jurisdiction over complainants in violation of subsection (e) of Section 25-63. The jurisdiction of the Commission is limited to matters arising under this Act.

An officer or executive branch State employee serving on a legislative branch board or commission remains subject to the jurisdiction of the Executive Ethics Commission and is not subject to the jurisdiction of the Legislative Ethics Commission.

(e) The Legislative Ethics Commission must meet, either in person or by other technological means, monthly or as often as necessary. At the first meeting of the Legislative Ethics Commission, the commissioners shall choose from their number a chairperson and other officers that they deem appropriate. The terms of officers shall be for 2 years commencing July 1 and running through June 30 of the second following year. Meetings shall be held at the call of the chairperson or any 3 commissioners. Official action by the Commission shall require the affirmative vote of 5 commissioners, and a quorum shall consist of 5 commissioners. Commissioners shall receive no compensation but may be reimbursed for their reasonable expenses actually incurred in the performance of their duties.

(f) No commissioner, other than a commissioner who is a member of the General Assembly, or employee of the Legislative Ethics Commission may during his or her term of appointment or employment:

(1) become a candidate for any elective office;

(2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;

(3) be actively involved in the affairs of any political party or political organization; or

(4) advocate for the appointment of another person to an appointed or elected office or position or actively participate in any campaign for any elective office.

(f-5) No commissioner who is a member of the General Assembly may be a candidate for statewide office, federal office, or judicial office. If a commissioner who is a member of the General Assembly files petitions to be a candidate for a statewide office, federal office, or judicial office, he or she shall be deemed to have resigned from his or her position as a commissioner on the date his or her name is certified for the ballot by the State Board of Elections or local election authority and his or her position as a commissioner shall be deemed vacant. Such person may not be reappointed to the Commission during any time he or she is a candidate for statewide office, federal office, or judicial office.

(g) An appointing authority may remove a commissioner only for cause.

(h) The Legislative Ethics Commission shall appoint an Executive Director subject to the approval of at least 3 of the 4 legislative leaders. The compensation of the Executive Director shall be as determined by the Commission. The Executive Director of the Legislative Ethics Commission may employ, subject to the approval of at least 3 of the 4 legislative leaders, and determine the compensation of staff, as appropriations permit.

(i) In consultation with the Legislative Inspector General, the Legislative Ethics Commission may develop comprehensive training for members and employees under its jurisdiction that includes, but is not limited to, sexual harassment, employment discrimination, and workplace civility. The training may be recommended to the ultimate jurisdictional authorities and may be approved by the Commission to satisfy the sexual harassment training required under Section 5-10.5 or be provided in addition to the annual sexual harassment training required under Section 5-10.5. The Commission may seek input from governmental agencies or private entities for guidance in developing such training.

(Source: P.A. 100-588, eff. 6-8-18; revised 10-11-18.)

(5 ILCS 430/25-10)

Sec. 25-10. Office of Legislative Inspector General.

(a) The independent Office of the Legislative Inspector General is created. The Office shall be under the direction and supervision of the Legislative Inspector General and shall be a fully independent office with its own appropriation.

(b) The Legislative Inspector General shall be appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability. The Legislative Ethics Commission shall diligently search out qualified candidates for Legislative Inspector General and shall make recommendations to the General Assembly. The Legislative Inspector General may serve in a full-time, part-time, or contractual capacity.

The Legislative Inspector General shall be appointed by a joint resolution of the Senate and the House of Representatives, which may specify the date on which the appointment takes effect. A joint resolution, or other document as may be specified by the Joint Rules of the General Assembly, appointing the Legislative Inspector General must be certified by the Speaker of the House of Representatives and the President of the Senate as having been adopted by the affirmative vote of three-fifths of the members elected to each house, respectively, and be filed with the Secretary of State. The appointment of the Legislative Inspector General takes effect on the day the appointment is completed by the General Assembly, unless the appointment specifies a later date on which it is to become effective.

The Legislative Inspector General shall have the following qualifications:

(1) has not been convicted of any felony under the laws of this State, another state,

or the United States;

(2) has earned a baccalaureate degree from an institution of higher education; and

(3) has 5 or more years of cumulative service (A) with a federal, State, or local law enforcement agency, at least 2 years of which have been in a progressive investigatory capacity; (B) as a federal, State, or local prosecutor; (C) as a senior manager or executive of a federal, State, or local agency; (D) as a member, an officer, or a State or federal judge; or (E) representing any combination of (A) through (D).

The Legislative Inspector General may not be a relative of a commissioner.

The term of the initial Legislative Inspector General shall commence upon qualification and shall run through June 30, 2008.

After the initial term, the Legislative Inspector General shall serve for 5-year terms commencing on July 1 of the year of appointment and running through June 30 of the fifth following year. The Legislative Inspector General may be reappointed to one or more subsequent terms. Terms shall run regardless of whether the position is filled.

(b-5) A vacancy occurring other than at the end of a term shall be filled in the same manner as an appointment only for the balance of the term of the Legislative Inspector General whose office is vacant. Within 7 days of the Office becoming vacant or receipt of a Legislative Inspector General's prospective resignation, the vacancy shall be publicly posted on the Commission's website, along with a description of the requirements for the position and where applicants may apply.

Within 45 days of the vacancy, the Commission shall designate an Acting Legislative Inspector General who shall serve until the vacancy is filled. The Commission shall file the designation in writing with the Secretary of State.

Within 60 days prior to the end of the term of the Legislative Inspector General or within 30 days of the occurrence of a vacancy in the Office of the Legislative Inspector General, the Legislative Ethics Commission shall establish a four-member search committee within the Commission for the purpose of conducting a search for qualified candidates to serve as Legislative Inspector General. The Speaker of the House of Representatives, Minority Leader of the House, Senate President, and Minority Leader of the Senate shall each appoint one member to the search committee. A member of the search committee shall be either a retired judge or former prosecutor and may not be a member or employee of the General Assembly or a registered lobbyist. If the Legislative Ethics Commission wishes to recommend that the Legislative Inspector General be re-appointed, a search committee does not need to be appointed.

The search committee shall conduct a search for qualified candidates, accept applications, and conduct interviews. The search committee shall recommend up to 3 candidates for Legislative Inspector General to the Legislative Ethics Commission. The search committee shall be disbanded upon an appointment of the Legislative Inspector General. Members of the search committee are not entitled to compensation but shall be entitled to reimbursement of reasonable expenses incurred in connection with the performance of their duties.

Within 30 days after the effective date of this amendatory Act of the 100th General Assembly, the Legislative Ethics Commission shall create a search committee in the manner provided for in this subsection to recommend up to 3 candidates for Legislative Inspector General to the Legislative Ethics Commission by October 31, 2018.

If a vacancy exists and the Commission has not appointed an Acting Legislative Inspector General, either the staff of the Office of the Legislative Inspector General, or if there is no staff, the Executive Director, shall advise the Commission of all open investigations and any new allegations or complaints received in the Office of the Inspector General. These reports shall not include the name of any person identified in the allegation or complaint, including, but not limited to, the subject of and the person filing the allegation or complaint. Notification shall be made to the Commission on a weekly basis unless the Commission approves of a different reporting schedule.

If the Office of the Inspector General is vacant for 6 months or more beginning on or after January 1, 2019, and the Legislative Ethics Commission has not appointed an Acting Legislative Inspector General, all complaints made to the Legislative Inspector General or the Legislative Ethics Commission shall be directed to the Inspector General for the Auditor General, and he or she shall have the authority to act as provided in subsection (c) of this Section and Section 25-20 of this Act, and shall be subject to all laws and rules governing a Legislative Inspector General or Acting Legislative Inspector General. The authority for the Inspector General of the Auditor General under this paragraph shall terminate upon appointment of a Legislative Inspector General or an Acting Legislative Inspector General.

(c) The Legislative Inspector General shall have jurisdiction over the current and former members of the General Assembly regarding events occurring during a member's term of office and current and former State employees regarding events occurring during any period of employment where the State employee's

ultimate jurisdictional authority is (i) a legislative leader, (ii) the Senate Operations Commission, or (iii) the Joint Committee on Legislative Support Services.

The jurisdiction of each Legislative Inspector General is to investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of this Act or violations of other related laws and rules.

The Legislative Inspector General shall have jurisdiction over complainants in violation of subsection (e) of Section 25-63 of this Act.

(d) The compensation of the Legislative Inspector General shall be the greater of an amount (i) determined by the Commission or (ii) by joint resolution of the General Assembly passed by a majority of members elected in each chamber. Subject to Section 25-45 of this Act, the Legislative Inspector General has full authority to organize the Office of the Legislative Inspector General, including the employment and determination of the compensation of staff, such as deputies, assistants, and other employees, as appropriations permit. Employment of staff is subject to the approval of at least 3 of the 4 legislative leaders.

(e) No Legislative Inspector General or employee of the Office of the Legislative Inspector General may, during his or her term of appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
- (3) be actively involved in the affairs of any political party or political organization; or
- (4) actively participate in any campaign for any elective office.

A full-time Legislative Inspector General shall not engage in the practice of law or any other business, employment, or vocation.

In this subsection an appointed public office means a position authorized by law that is filled by an appointing authority as provided by law and does not include employment by hiring in the ordinary course of business.

(e-1) No Legislative Inspector General or employee of the Office of the Legislative Inspector General may, for one year after the termination of his or her appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any elected public office; or
- (3) hold any appointed State, county, or local judicial office.

(e-2) The requirements of item (3) of subsection (e-1) may be waived by the Legislative Ethics Commission.

(f) The Commission may remove the Legislative Inspector General only for cause. At the time of the removal, the Commission must report to the General Assembly the justification for the removal.

(Source: P.A. 100-588, eff. 6-8-18.)

(5 ILCS 430/25-50)

Sec. 25-50. Investigation reports.

(a) If the Legislative Inspector General, upon the conclusion of an investigation, determines that reasonable cause exists to believe that a violation has occurred, then the Legislative Inspector General shall issue a summary report of the investigation. The report shall be delivered to the appropriate ultimate jurisdictional authority, to the head of each State agency affected by or involved in the investigation, if appropriate, and the member, if any, that is the subject of the report. The appropriate ultimate jurisdictional authority or agency head and the member, if any, that is the subject of the report shall respond to the summary report within 20 days, in writing, to the Legislative Inspector General. If the ultimate jurisdictional authority is the subject of the report, he or she may only respond to the summary report in his or her capacity as the subject of the report and shall not respond in his or her capacity as the ultimate jurisdictional authority. The response shall include a description of any corrective or disciplinary action to be imposed. If the appropriate ultimate jurisdictional authority or the member that is the subject of the report does not respond within 20 days, or within an extended time as agreed to by the Legislative Inspector General, the Legislative Inspector General may proceed under subsection (c) as if a response had been received. A member receiving and responding to a report under this Section shall be deemed to be acting in his or her official capacity.

(b) The summary report of the investigation shall include the following:

- (1) A description of any allegations or other information received by the Legislative Inspector General pertinent to the investigation.
- (2) A description of any alleged misconduct discovered in the course of the investigation.

(3) Recommendations for any corrective or disciplinary action to be taken in response to any alleged misconduct described in the report, including but not limited to discharge.

(4) Other information the Legislative Inspector General deems relevant to the investigation or resulting recommendations.

(c) Within 30 days after receiving a response from the appropriate ultimate jurisdictional authority or agency head under subsection (a), the Legislative Inspector General shall notify the Commission and the Attorney General if the Legislative Inspector General believes that a complaint should be filed with the Commission. If the Legislative Inspector General desires to file a complaint with the Commission, the Legislative Inspector General shall submit the summary report and supporting documents to the Attorney General. If the Attorney General concludes that there is insufficient evidence that a violation has occurred, the Attorney General shall notify the Legislative Inspector General and the Legislative Inspector General shall deliver to the Legislative Ethics Commission a copy of the summary report and response from the ultimate jurisdictional authority or agency head. If the Attorney General determines that reasonable cause exists to believe that a violation has occurred, then the Legislative Inspector General, represented by the Attorney General, may file with the Legislative Ethics Commission a complaint. The complaint shall set forth the alleged violation and the grounds that exist to support the complaint. Except as provided under subsection (1.5) of Section 20, the complaint must be filed with the Commission within 12 months after the Legislative Inspector General's receipt of the allegation of the violation ~~18 months after the most recent act of the alleged violation or of a series of alleged violations~~ except where there is reasonable cause to believe that fraudulent concealment has occurred. To constitute fraudulent concealment sufficient to toll this limitations period, there must be an affirmative act or representation calculated to prevent discovery of the fact that a violation has occurred. If a complaint is not filed with the Commission within 6 months after notice by the Inspector General to the Commission and the Attorney General, then the Commission may set a meeting of the Commission at which the Attorney General shall appear and provide a status report to the Commission.

(c-5) Within 30 days after receiving a response from the appropriate ultimate jurisdictional authority or agency head under subsection (a), if the Legislative Inspector General does not believe that a complaint should be filed, the Legislative Inspector General shall deliver to the Legislative Ethics Commission a statement setting forth the basis for the decision not to file a complaint and a copy of the summary report and response from the ultimate jurisdictional authority or agency head. The Inspector General may also submit a redacted version of the summary report and response from the ultimate jurisdictional authority if the Inspector General believes either contains information that, in the opinion of the Inspector General, should be redacted prior to releasing the report, may interfere with an ongoing investigation, or identifies an informant or complainant.

(c-10) If, after reviewing the documents, the Commission believes that further investigation is warranted, the Commission may request that the Legislative Inspector General provide additional information or conduct further investigation. The Commission may also refer the summary report and response from the ultimate jurisdictional authority to the Attorney General for further investigation or review. If the Commission requests the Attorney General to investigate or review, the Commission must notify the Attorney General and the Legislative Inspector General. The Attorney General may not begin an investigation or review until receipt of notice from the Commission. If, after review, the Attorney General determines that reasonable cause exists to believe that a violation has occurred, then the Attorney General may file a complaint with the Legislative Ethics Commission. If the Attorney General concludes that there is insufficient evidence that a violation has occurred, the Attorney General shall notify the Legislative Ethics Commission and the appropriate Legislative Inspector General.

(d) A copy of the complaint filed with the Legislative Ethics Commission must be served on all respondents named in the complaint and on each respondent's ultimate jurisdictional authority in the same manner as process is served under the Code of Civil Procedure.

(e) A respondent may file objections to the complaint within 30 days after notice of the petition has been served on the respondent.

(f) The Commission shall meet, at least 30 days after the complaint is served on all respondents either in person or by telephone, in a closed session to review the sufficiency of the complaint. The Commission shall issue notice by certified mail, return receipt requested, to the Legislative Inspector General, the Attorney General, and all respondents of the Commission's ruling on the sufficiency of the complaint. If the complaint is deemed to sufficiently allege a violation of this Act, then the Commission shall include a hearing date scheduled within 4 weeks after the date of the notice, unless all of the parties consent to a later date. If the complaint is deemed not to sufficiently allege a violation, then the Commission shall send by certified mail, return receipt requested, a notice to the Legislative Inspector General, the Attorney General, and all respondents the decision to dismiss the complaint.

(g) On the scheduled date the Commission shall conduct a closed meeting, either in person or, if the parties consent, by telephone, on the complaint and allow all parties the opportunity to present testimony and evidence. All such proceedings shall be transcribed.

(h) Within an appropriate time limit set by rules of the Legislative Ethics Commission, the Commission shall (i) dismiss the complaint, (ii) issue a recommendation of discipline to the respondent and the respondent's ultimate jurisdictional authority, (iii) impose an administrative fine upon the respondent, (iv) issue injunctive relief as described in Section 50-10, or (v) impose a combination of (ii) through (iv).

(i) The proceedings on any complaint filed with the Commission shall be conducted pursuant to rules promulgated by the Commission.

(j) The Commission may designate hearing officers to conduct proceedings as determined by rule of the Commission.

(k) In all proceedings before the Commission, the standard of proof is by a preponderance of the evidence.

(l) Within 30 days after the issuance of a final administrative decision that concludes that a violation occurred, the Legislative Ethics Commission shall make public the entire record of proceedings before the Commission, the decision, any recommendation, any discipline imposed, and the response from the agency head or ultimate jurisdictional authority to the Legislative Ethics Commission.

(Source: P.A. 100-588, eff. 6-8-18.)

(5 ILCS 430/25-63 new)

Sec. 25-63. Rights of persons subjected to discrimination, harassment, or sexual harassment.

(a) As used in this Section, "complainant" means a known person identified in a complaint filed with the Legislative Inspector General as a person subjected to alleged discrimination, harassment, or sexual harassment in violation of Section 5-65 of this Act or Article 2 of the Illinois Human Rights Act, regardless of whether the complaint is filed by the person.

(b) A complainant shall have the following rights:

(1) within 5 business days of the Legislative Inspector General receiving a complaint in which the complainant is identified, to be notified by the Legislative Inspector General of the receipt of the complaint, the complainant's rights, and an explanation of the process, rules, and procedures related to the investigating an allegation, and the duties of the Legislative Inspector General and the Legislative Ethics Commission;

(2) within 5 business days after the Legislative Inspector General's decision to open or close an investigation into the complaint or refer the complaint to another appropriate agency, to be notified of the Legislative Inspector General's decision; however, if the Legislative Inspector General reasonably determines that publicly acknowledging the existence of an investigation would interfere with the conduct or completion of that investigation, the notification may be withheld until public acknowledgment of the investigation would no longer interfere with that investigation;

(3) to review statements and evidence given to the Legislative Inspector General by the complainant and the Legislative Inspector General's summarization of those statements and evidence, if such summary exists. The complainant may make suggestions of changes for the Legislative Inspector General's consideration, but the Legislative Inspector General shall have the final authority to determine what statements, evidence, and summaries are included in any report of the investigation;

(4) to have a union representative, attorney, co-worker, or other support person who is not involved in the investigation, at the complainant's expense, present at any interview or meeting, whether in person or by telephone or audio-visual communication, between the complainant and the Legislative Inspector General or Legislative Ethics Commission;

(5) to submit a complainant impact statement that shall be included with the Legislative Inspector General's summary report to the Legislative Ethics Commission for its consideration;

(6) to testify at a hearing held under subsection (g) of Section 25-50, to the extent the hearing is based on an allegation of a violation of Section 5-65 of this Act involving the complainant, and have a single union representative, attorney, co-worker, or other support person who is not involved in the investigation, at the complainant's expense, accompany him or her while testifying;

(7) to review, within 5 business days prior to its release, any portion of a summary report of the investigation subject to public release under this Article related to the allegations concerning the complainant, after redactions made by the Legislative Ethics Commission, and offer suggestions for redaction or provide a response that shall be made public with the summary report; and

(8) to file a complaint with the Legislative Ethics Commission for any violation of the complainant's rights under this Section by the Legislative Inspector General.

(c) The complainant shall have the sole discretion in determining whether or not to exercise the rights set forth in this Section. All rights under this Section shall be waived if the complainant fails to cooperate with the Legislative Inspector General's investigation of the complaint.

(d) The notice requirements imposed on the Legislative Inspector General by this Section shall be waived if the Legislative Inspector General is unable to identify or locate the complainant.

(e) A complainant receiving a copy of any summary report, in whole or in part, under this Section shall keep the report confidential and shall not disclose the report prior to the publication of the report by the Legislative Ethics Commission. A complainant that violates this subsection (e) shall be subject to an administrative fine by the Legislative Ethics Commission of up to \$5,000.

(5 ILCS 430/70-5)

Sec. 70-5. Adoption by governmental entities.

(a) Within 6 months after the effective date of this Act, each governmental entity other than a community college district, and each community college district within 6 months after the effective date of this amendatory Act of the 95th General Assembly, shall adopt an ordinance or resolution that regulates, in a manner no less restrictive than Section 5-15 and Article 10 of this Act, (i) the political activities of officers and employees of the governmental entity and (ii) the soliciting and accepting of gifts by and the offering and making of gifts to officers and employees of the governmental entity. No later than 60 days after the effective date of this amendatory Act of the 100th General Assembly, each governmental unit shall adopt an ordinance or resolution establishing a policy to prohibit sexual harassment. The policy shall include, at a minimum: (i) a prohibition on sexual harassment; (ii) details on how an individual can report an allegation of sexual harassment, including options for making a confidential report to a supervisor, ethics officer, Inspector General, or the Department of Human Rights; (iii) a prohibition on retaliation for reporting sexual harassment allegations, including availability of whistleblower protections under this Act, the Whistleblower Act, and the Illinois Human Rights Act; and (iv) the consequences of a violation of the prohibition on sexual harassment and the consequences for knowingly making a false report. Within 6 months after the effective date of this amendatory Act of the 101st General Assembly, each governmental unit that is not subject to the jurisdiction of a State or local Inspector General shall adopt an ordinance or resolution amending its sexual harassment policy to provide for a mechanism for reporting and independent review of allegations of sexual harassment made against an elected official of the governmental unit by another elected official of a governmental unit.

(b) Within 3 months after the effective date of this amendatory Act of the 93rd General Assembly, the Attorney General shall develop model ordinances and resolutions for the purpose of this Article. The Attorney General shall advise governmental entities on their contents and adoption.

(c) As used in this Article, (i) an "officer" means an elected or appointed official; regardless of whether the official is compensated, and (ii) an "employee" means a full-time, part-time, or contractual employee. (Source: P.A. 100-554, eff. 11-16-17.)

Section 6-15. The Lobbyist Registration Act is amended by changing Section 4.7 as follows:

(25 ILCS 170/4.7)

Sec. 4.7. Prohibition on sexual harassment.

(a) All persons have the right to work in an environment free from sexual harassment. All persons subject to this Act shall refrain from sexual harassment of any person.

(b) Until January 1, 2020 Beginning January 1, 2018, each natural person required to register as a lobbyist under this Act must complete, at least annually, a sexual harassment training program provided by the Secretary of State. A natural person registered under this Act must complete the training program no later than 30 days after registration or renewal under this Act. This requirement does not apply to a lobbying entity or a client that hires a lobbyist that (i) does not have employees of the lobbying entity or client registered as lobbyists, or (ii) does not have an actual presence in Illinois.

(b-5) Beginning January 1, 2020, each natural person required to register as a lobbyist under this Act must complete, at least annually, a harassment and discrimination prevention training program provided by the Secretary of State. A natural person registered under this Act must complete the training program no later than 30 days after registration or renewal under this Act. This requirement does not apply to a lobbying entity or a client that hires a lobbyist that (i) does not have employees of the lobbying entity or client registered as lobbyists, or (ii) does not have an actual presence in Illinois. For the purposes of this subsection, "unlawful discrimination" and "harassment" mean unlawful discrimination and harassment prohibited under Section 2-102 of the Illinois Human Rights Act.

(c) No later than January 1, 2018, each natural person and any entity required to register under this Act shall have a written sexual harassment policy that shall include, at a minimum: (i) a prohibition on sexual harassment; (ii) details on how an individual can report an allegation of sexual harassment, including

options for making a confidential report to a supervisor, ethics officer, Inspector General, or the Department of Human Rights; (iii) a prohibition on retaliation for reporting sexual harassment allegations, including availability of whistleblower protections under the State Officials and Employee Ethics Act, the Whistleblower Act, and the Illinois Human Rights Act; and (iv) the consequences of a violation of the prohibition on sexual harassment and the consequences for knowingly making a false report.

(d) For purposes of this Act, "sexual harassment" means any unwelcome sexual advances or requests for sexual favors or any conduct of a sexual nature when: (i) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (iii) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment. For the purposes of this definition, the phrase "working environment" is not limited to a physical location an employee is assigned to perform his or her duties and does not require an employment relationship.

(e) The Secretary of State shall adopt rules for the implementation of this Section. In order to provide for the expeditious and timely implementation of this Section, the Secretary of State shall adopt emergency rules under subsection (z) of Section 5-45 of the Illinois Administrative Procedure Act for the implementation of this Section no later than 60 days after the effective date of this amendatory Act of the 100th General Assembly.

(Source: P.A. 100-554, eff. 11-16-17.)

Article 99.

Section 99-97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 99-99. Effective date. This Act takes effect January 1, 2020, except that: (i) Article 5 takes effect July 1, 2020; and (ii) Article 6 and this Article take effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 75**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 689

A bill for AN ACT concerning revenue.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 689

House Amendment No. 2 to SENATE BILL NO. 689

House Amendment No. 3 to SENATE BILL NO. 689

Passed the House, as amended, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 689

AMENDMENT NO. 1. Amend Senate Bill 689 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Estate and Generation-Skipping Transfer Tax Act is amended by changing Section 1 as follows:

(35 ILCS 405/1) (from Ch. 120, par. 405A-1)

Sec. 1. This Act may be cited as the ~~the~~ Illinois Estate and Generation-Skipping Transfer Tax Act. (Source: P.A. 86-737.)"

AMENDMENT NO. 2 TO SENATE BILL 689

AMENDMENT NO. 2. Amend Senate Bill 689, AS AMENDED, by replacing everything after the enacting clause with the following:

[June 2, 2019]

"ARTICLE 10. AMENDATORY PROVISIONS

Section 10-3. The State Finance Act is amended by changing Section 6z-81 as follows:

(30 ILCS 105/6z-81)

Sec. 6z-81. Healthcare Provider Relief Fund.

(a) There is created in the State treasury a special fund to be known as the Healthcare Provider Relief Fund.

(b) The Fund is created for the purpose of receiving and disbursing moneys in accordance with this Section. Disbursements from the Fund shall be made only as follows:

(1) Subject to appropriation, for payment by the Department of Healthcare and Family Services or by the Department of Human Services of medical bills and related expenses, including administrative expenses, for which the State is responsible under Titles XIX and XXI of the Social Security Act, the Illinois Public Aid Code, the Children's Health Insurance Program Act, the Covering ALL KIDS Health Insurance Act, and the Long Term Acute Care Hospital Quality Improvement Transfer Program Act.

(2) For repayment of funds borrowed from other State funds or from outside sources, including interest thereon.

(3) For State fiscal years 2017, 2018, and 2019, for making payments to the human poison control center pursuant to Section 12-4.105 of the Illinois Public Aid Code.

(c) The Fund shall consist of the following:

(1) Moneys received by the State from short-term borrowing pursuant to the Short Term Borrowing Act on or after the effective date of Public Act 96-820.

(2) All federal matching funds received by the Illinois Department of Healthcare and Family Services as a result of expenditures made by the Department that are attributable to moneys deposited in the Fund.

(3) All federal matching funds received by the Illinois Department of Healthcare and Family Services as a result of federal approval of Title XIX State plan amendment transmittal number 07-09.

(3.5) Proceeds from the assessment authorized under Article V-H of the Public Aid Code.

(4) All other moneys received for the Fund from any other source, including interest earned thereon.

(5) All federal matching funds received by the Illinois Department of Healthcare and Family Services as a result of expenditures made by the Department for Medical Assistance from the General Revenue Fund, the Tobacco Settlement Recovery Fund, the Long-Term Care Provider Fund, and the Drug Rebate Fund related to individuals eligible for medical assistance pursuant to the Patient Protection and Affordable Care Act (P.L. 111-148) and Section 5-2 of the Illinois Public Aid Code.

(d) In addition to any other transfers that may be provided for by law, on the effective date of Public Act 97-44, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$365,000,000 from the General Revenue Fund into the Healthcare Provider Relief Fund.

(e) In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$160,000,000 from the General Revenue Fund to the Healthcare Provider Relief Fund.

(f) Notwithstanding any other State law to the contrary, and in addition to any other transfers that may be provided for by law, the State Comptroller shall order transferred and the State Treasurer shall transfer \$500,000,000 to the Healthcare Provider Relief Fund from the General Revenue Fund in equal monthly installments of \$100,000,000, with the first transfer to be made on July 1, 2012, or as soon thereafter as practical, and with each of the remaining transfers to be made on August 1, 2012, September 1, 2012, October 1, 2012, and November 1, 2012, or as soon thereafter as practical. This transfer may assist the Department of Healthcare and Family Services in improving Medical Assistance bill processing timeframes or in meeting the possible requirements of Senate Bill 3397, or other similar legislation, of the 97th General Assembly should it become law.

(g) Notwithstanding any other State law to the contrary, and in addition to any other transfers that may be provided for by law, on July 1, 2013, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$601,000,000 from the General Revenue Fund to the Healthcare Provider Relief Fund.

(Source: P.A. 99-516, eff. 6-30-16; 100-587, eff. 6-4-18.)

Section 10-5. The Illinois Income Tax Act is amended by changing Section 203 as follows:
(35 ILCS 5/203) (from Ch. 120, par. 2-203)

Sec. 203. Base income defined.

(a) Individuals.

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

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

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

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

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

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

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

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

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

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

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

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

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

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(D-18) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

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

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

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

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

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

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

(D-19) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this Act.

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

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

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

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

(D-21.5) For taxable years beginning on or after January 1, 2018, in the case of

the transfer of moneys from a qualified tuition program under Section 529 or a qualified ABLE program under Section 529A of the Internal Revenue Code that is administered by this State to an ABLE account established under an out-of-state ABLE account program, an amount equal to the contribution component of the transferred amount that was previously deducted from base income under subsection (a)(2)(Y) or subsection (a)(2)(HH) of this Section;

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

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

(D-24) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year; and by deducting from the total so obtained the sum of the following amounts:

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

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

(G) The valuation limitation amount;

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

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

(J) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act, and conducts substantially all of its

operations in a River Edge Redevelopment Zone or zones. This subparagraph (J) is exempt from the provisions of Section 250;

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

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

(M) With the exception of any amounts subtracted under subparagraph (N), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2), and 265(a)(2) 265(2) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) 265(4) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

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

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

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

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

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

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

The amount of the health insurance and long-term care insurance subtracted under this item (V) shall be determined by multiplying total health insurance and long-term care insurance premiums paid by the taxpayer times a number that represents the fractional percentage of eligible medical expenses under Section 213 of the Internal Revenue Code of 1986 not actually deducted on the taxpayer's federal income tax return;

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

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

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

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

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

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

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

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

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

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

(AA) If the taxpayer sells, transfers, abandons, or otherwise disposes of property

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

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to that addition modification.

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

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

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

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

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

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

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

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

(HH) For taxable years beginning on or after January 1, 2018 and prior to January 1, 2023, a maximum of \$10,000 contributed in the taxable year to a qualified ABLE account under Section 16.6 of the State Treasurer Act, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) or Section 529A(c)(1)(C) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (HH). For purposes of this subparagraph

(HH), contributions made by an employer on behalf of an employee, or matching contributions made by an employee, shall be treated as made by the employee.

(b) Corporations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(E-12) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary

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

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(E-13) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(b)(2)(E-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph,

"intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(E-15) For taxable years beginning after December 31, 2008, any deduction for dividends paid by a captive real estate investment trust that is allowed to a real estate investment trust under Section 857(b)(2)(B) of the Internal Revenue Code for dividends paid;

(E-16) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(E-17) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year;

(E-18) for taxable years beginning after December 31, 2018, an amount equal to the deduction allowed under Section 250(a)(1)(A) of the Internal Revenue Code for the taxable year. and by deducting from the total so obtained the sum of the following amounts:

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

(G) An amount equal to any amount included in such total under Section 78 of the Internal Revenue Code;

(H) In the case of a regulated investment company, an amount equal to the amount of exempt interest dividends as defined in subsection (b)(5) of Section 852 of the Internal Revenue Code, paid to shareholders for the taxable year;

(I) With the exception of any amounts subtracted under subparagraph (J), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2), and 265(a)(2) and amounts disallowed as interest expense by Section 291(a)(3) of the Internal Revenue Code, and all

amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, for tax years ending on or after December 31, 2011, amounts disallowed as deductions by Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code and the policyholders' share of tax-exempt interest of a life insurance company under Section 807(a)(2)(B) of the Internal Revenue Code (in the case of a life insurance company with gross income from a decrease in reserves for the tax year) or Section 807(b)(1)(B) of the Internal Revenue Code (in the case of a life insurance company allowed a deduction for an increase in reserves for the tax year); the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

(M) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the River Edge Redevelopment Zone Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(f) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(f) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in the River Edge Redevelopment Zone. The subtraction modification available to the taxpayer in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence. This subparagraph (M) is exempt from the provisions of Section 250;

(M-1) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the High Impact Business Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(h) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(h) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois. No taxpayer that is eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall be eligible for the deduction provided under this subparagraph (M-1). The subtraction modification available to taxpayers in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence;

(N) Two times any contribution made during the taxable year to a designated zone organization to the extent that the contribution (i) qualifies as a charitable contribution under subsection (c) of Section 170 of the Internal Revenue Code and (ii) must, by its terms, be used for a project approved by the Department of Commerce and Economic Opportunity under Section 11 of the Illinois Enterprise Zone Act or under Section 10-10 of the River Edge Redevelopment Zone Act. This subparagraph (N) is exempt from the provisions of Section 250;

(O) An amount equal to: (i) 85% for taxable years ending on or before December 31,

1992, or, a percentage equal to the percentage allowable under Section 243(a)(1) of the Internal Revenue Code of 1986 for taxable years ending after December 31, 1992, of the amount by which dividends included in taxable income and received from a corporation that is not created or organized under the laws of the United States or any state or political subdivision thereof, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 965 of the Internal Revenue Code, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends, and including, for taxable years ending on or after December 31, 2008, dividends received from a captive real estate investment trust; plus (ii) 100% of the amount by which dividends, included in taxable income and received, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code and including, for taxable years ending on or after December 31, 2008, dividends received from a captive real estate investment trust, from any such corporation specified in clause (i) that would but for the provisions of Section 1504(b)(3) of the Internal Revenue Code be treated as a member of the affiliated group which includes the dividend recipient, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends. This subparagraph (O) is exempt from the provisions of Section 250 of this Act;

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

(Q) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

(R) On and after July 20, 1999, in the case of an attorney-in-fact with respect to whom an interinsurer or a reciprocal insurer has made the election under Section 835 of the Internal Revenue Code, 26 U.S.C. 835, an amount equal to the excess, if any, of the amounts paid or incurred by that interinsurer or reciprocal insurer in the taxable year to the attorney-in-fact over the deduction allowed to that interinsurer or reciprocal insurer with respect to the attorney-in-fact under Section 835(b) of the Internal Revenue Code for the taxable year; the provisions of this subparagraph are exempt from the provisions of Section 250;

(S) For taxable years ending on or after December 31, 1997, in the case of a Subchapter S corporation, an amount equal to all amounts of income allocable to a shareholder subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act, including amounts allocable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code. This subparagraph (S) is exempt from the provisions of Section 250;

(T) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

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

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

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

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

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

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

(U) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

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

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

(V) The amount of: (i) any interest income (net of the deductions allocable thereto)

taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification, (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification, and (iii) any insurance premium income (net of deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-19), Section 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section 203(d)(2)(D-9), but not to exceed the amount of that addition modification. This subparagraph (V) is exempt from the provisions of Section 250;

(W) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-12) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (W) is exempt from the provisions of Section 250;

(X) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (X) is exempt from the provisions of Section 250;

(Y) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(b)(2)(E-14), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (Y), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250; and

(Z) The difference between the nondeductible controlled foreign corporation dividends under Section 965(e)(3) of the Internal Revenue Code over the taxable income of the taxpayer, computed without regard to Section 965(e)(2)(A) of the Internal Revenue Code, and without regard to any net operating loss deduction. This subparagraph (Z) is exempt from the provisions of Section 250.

(3) Special rule. For purposes of paragraph (2)(A), "gross income" in the case of a life insurance company, for tax years ending on and after December 31, 1994, and prior to December 31, 2011, shall mean the gross investment income for the taxable year and, for tax years ending on or

after December 31, 2011, shall mean all amounts included in life insurance gross income under Section 803(a)(3) of the Internal Revenue Code.

(c) Trusts and estates.

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

(2) Modifications. Subject to the provisions of paragraph (3), the taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

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

(B) In the case of (i) an estate, \$600; (ii) a trust which, under its governing instrument, is required to distribute all of its income currently, \$300; and (iii) any other trust, \$100, but in each such case, only to the extent such amount was deducted in the computation of taxable income;

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

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

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

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

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

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

(F) For taxable years ending on or after January 1, 1989, an amount equal to the tax deducted pursuant to Section 164 of the Internal Revenue Code if the trust or estate is claiming the same tax for purposes of the Illinois foreign tax credit under Section 601 of this Act;

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

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

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

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

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

The taxpayer is required to make the addition modification under this subparagraph

only once with respect to any one piece of property;

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

This paragraph shall not apply to the following:

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

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

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

(b) the transaction giving rise to the interest expense between the taxpayer

and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

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

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

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

(G-13) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(c)(2)(G-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes: (1) expenses, losses, and costs for or related to the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any

other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(G-15) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(G-16) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year; and by deducting from the total so obtained the sum of the following amounts:

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

(I) The valuation limitation amount;

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

(K) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C), (D), (E), (F) and (G) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the

United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(L) With the exception of any amounts subtracted under subparagraph (K), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2) and 265(a)(2) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section ~~265(a)(1)~~ 265(+ of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, (iii) for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

(P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

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

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

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

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

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

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

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

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

(S) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

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

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

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

(U) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-12) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (U) is exempt from the provisions of Section 250;

(V) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (V) is exempt from the provisions of Section 250;

(W) in the case of an estate, an amount equal to all amounts included in such total pursuant to the provisions of Section 111 of the Internal Revenue Code as a recovery of items previously deducted by the decedent from adjusted gross income in the computation of taxable income. This subparagraph (W) is exempt from Section 250;

(X) an amount equal to the refund included in such total of any tax deducted for federal income tax purposes, to the extent that deduction was added back under subparagraph (F). This subparagraph (X) is exempt from the provisions of Section 250; and

(Y) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(c)(2)(G-14), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense

or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (Y), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250; and -

(Z) For taxable years beginning after December 31, 2018 and before January 1, 2026, the amount of excess business loss of the taxpayer disallowed as a deduction by Section 461(l)(1)(B) of the Internal Revenue Code.

(3) Limitation. The amount of any modification otherwise required under this subsection shall, under regulations prescribed by the Department, be adjusted by any amounts included therein which were properly paid, credited, or required to be distributed, or permanently set aside for charitable purposes pursuant to Internal Revenue Code Section 642(c) during the taxable year.

(d) Partnerships.

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

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

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

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

(C) The amount of deductions allowed to the partnership pursuant to Section 707 (c) of the Internal Revenue Code in calculating its taxable income;

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

(D-5) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(D-6) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (O) with respect to that property.

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

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

(D-7) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(D-8) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets;

This paragraph shall not apply to the following:

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

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

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

(b) the transaction giving rise to the intangible expense or cost between

the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred,

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

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

(D-9) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

(D-10) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(D-11) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year; and by deducting from the total so obtained the following amounts:

(E) The valuation limitation amount;

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

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

(H) Any income of the partnership which constitutes personal service income as defined in Section 1348(b)(1) of the Internal Revenue Code (as in effect December 31, 1981) or a reasonable allowance for compensation paid or accrued for services rendered by partners to the partnership, whichever is greater; this subparagraph (H) is exempt from the provisions of Section 250;

(I) An amount equal to all amounts of income distributable to an entity subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act including amounts distributable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code; this subparagraph (I) is exempt from the provisions of Section 250;

(J) With the exception of any amounts subtracted under subparagraph (G), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2), and ~~265(a)(2)~~ 265(a)(1) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section ~~265(a)(1)~~ 265(a)(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, (iii) for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations

from a River Edge Redevelopment Zone or zones. This subparagraph (K) is exempt from the provisions of Section 250;

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

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

(N) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

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

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

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

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

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

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

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

(P) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

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

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

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

(R) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the

addition modification required to be made for the same taxable year under Section 203(d)(2)(D-7) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (R) is exempt from Section 250;

(S) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(d)(2)(D-8) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (S) is exempt from Section 250; and

(T) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(d)(2)(D-9), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (T), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (T). This subparagraph (T) is exempt from the provisions of Section 250.

(e) Gross income; adjusted gross income; taxable income.

(1) In general. Subject to the provisions of paragraph (2) and subsection (b)(3), for purposes of this Section and Section 803(e), a taxpayer's gross income, adjusted gross income, or taxable income for the taxable year shall mean the amount of gross income, adjusted gross income or taxable income properly reportable for federal income tax purposes for the taxable year under the provisions of the Internal Revenue Code. Taxable income may be less than zero. However, for taxable years ending on or after December 31, 1986, net operating loss carryforwards from taxable years ending prior to December 31, 1986, may not exceed the sum of federal taxable income for the taxable year before net operating loss deduction, plus the excess of addition modifications over subtraction modifications for the taxable year. For taxable years ending prior to December 31, 1986, taxable income may never be an amount in excess of the net operating loss for the taxable year as defined in subsections (c) and (d) of Section 172 of the Internal Revenue Code, provided that when taxable income of a corporation (other than a Subchapter S corporation), trust, or estate is less than zero and addition modifications, other than those provided by subparagraph (E) of paragraph (2) of subsection (b) for corporations or subparagraph (E) of paragraph (2) of subsection (c) for trusts and estates, exceed subtraction modifications, an addition modification must be made under those subparagraphs for any other taxable year to which the taxable income less than zero (net operating loss) is applied under Section 172 of the Internal Revenue Code or under subparagraph (E) of paragraph (2) of this subsection (e) applied in conjunction with Section 172 of the Internal Revenue Code.

(2) Special rule. For purposes of paragraph (1) of this subsection, the taxable income properly reportable for federal income tax purposes shall mean:

(A) Certain life insurance companies. In the case of a life insurance company subject to the tax imposed by Section 801 of the Internal Revenue Code, life insurance company taxable income, plus the amount of distribution from pre-1984 policyholder surplus accounts as calculated under Section 815a of the Internal Revenue Code;

(B) Certain other insurance companies. In the case of mutual insurance companies subject to the tax imposed by Section 831 of the Internal Revenue Code, insurance company taxable income;

(C) Regulated investment companies. In the case of a regulated investment company subject to the tax imposed by Section 852 of the Internal Revenue Code, investment company taxable income;

(D) Real estate investment trusts. In the case of a real estate investment trust subject to the tax imposed by Section 857 of the Internal Revenue Code, real estate investment trust taxable income;

(E) Consolidated corporations. In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated income tax return for the taxable year for federal income tax purposes, taxable income determined as if such corporation had filed a separate return for federal income tax purposes for the taxable year and each preceding taxable year for which it was a member of an affiliated group. For purposes of this subparagraph, the taxpayer's separate taxable income shall be determined as if the election provided by Section 243(b)(2) of the Internal Revenue Code had been in effect for all such years;

(F) Cooperatives. In the case of a cooperative corporation or association, the taxable income of such organization determined in accordance with the provisions of Section 1381 through 1388 of the Internal Revenue Code, but without regard to the prohibition against offsetting losses from patronage activities against income from nonpatronage activities; except that a cooperative corporation or association may make an election to follow its federal income tax treatment of patronage losses and nonpatronage losses. In the event such election is made, such losses shall be computed and carried over in a manner consistent with subsection (a) of Section 207 of this Act and apportioned by the apportionment factor reported by the cooperative on its Illinois income tax return filed for the taxable year in which the losses are incurred. The election shall be effective for all taxable years with original returns due on or after the date of the election. In addition, the cooperative may file an amended return or returns, as allowed under this Act, to provide that the election shall be effective for losses incurred or carried forward for taxable years occurring prior to the date of the election. Once made, the election may only be revoked upon approval of the Director. The Department shall adopt rules setting forth requirements for documenting the elections and any resulting Illinois net loss and the standards to be used by the Director in evaluating requests to revoke elections. Public Act 96-932 is declaratory of existing law;

(G) Subchapter S corporations. In the case of: (i) a Subchapter S corporation for which there is in effect an election for the taxable year under Section 1362 of the Internal Revenue Code, the taxable income of such corporation determined in accordance with Section 1363(b) of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 1363(b)(1) of the Internal Revenue Code to be separately stated; and (ii) a Subchapter S corporation for which there is in effect a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982, the taxable income of such corporation determined in accordance with the federal Subchapter S rules as in effect on July 1, 1982; and

(H) Partnerships. In the case of a partnership, taxable income determined in accordance with Section 703 of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 703(a)(1) to be separately stated but which would be taken into account by an individual in calculating his taxable income.

(3) Recapture of business expenses on disposition of asset or business. Notwithstanding any other law to the contrary, if in prior years income from an asset or business has been classified as business income and in a later year is demonstrated to be non-business income, then all expenses, without limitation, deducted in such later year and in the 2 immediately preceding taxable years related to that asset or business that generated the non-business income shall be added back and recaptured as business income in the year of the disposition of the asset or business. Such amount shall be apportioned to Illinois using the greater of the apportionment fraction computed for the business under Section 304 of this Act for the taxable year or the average of the apportionment fractions computed for the business under Section 304 of this Act for the taxable year and for the 2 immediately preceding taxable years.

(f) Valuation limitation amount.

(1) In general. The valuation limitation amount referred to in subsections (a)(2)(G), (c)(2)(I) and (d)(2)(E) is an amount equal to:

(A) The sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of gain reportable under the provisions of Section 1245 or 1250 of the Internal Revenue Code) for all property in respect of which such gain was reported for the taxable year; plus

(B) The lesser of (i) the sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of capital gain) for all property in respect of which such gain was reported for federal income tax purposes for the taxable year, or (ii) the net capital gain for the taxable year, reduced in either case by any amount of such gain included in the amount determined under subsection (a)(2)(F) or (c)(2)(H).

(2) Pre-August 1, 1969 appreciation amount.

(A) If the fair market value of property referred to in paragraph (1) was readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is the lesser of (i) the excess of such fair market value over the taxpayer's basis (for determining gain) for such property on that date (determined under the Internal Revenue Code as in effect on that date), or (ii) the total gain realized and reportable for federal income tax purposes in respect of the sale, exchange or other disposition of such property.

(B) If the fair market value of property referred to in paragraph (1) was not readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is that amount which bears the same ratio to the total gain reported in respect of the property for federal income tax purposes for the taxable year, as the number of full calendar months in that part of the taxpayer's holding period for the property ending July 31, 1969 bears to the number of full calendar months in the taxpayer's entire holding period for the property.

(C) The Department shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph.

(g) Double deductions. Unless specifically provided otherwise, nothing in this Section shall permit the same item to be deducted more than once.

(h) Legislative intention. Except as expressly provided by this Section there shall be no modifications or limitations on the amounts of income, gain, loss or deduction taken into account in determining gross income, adjusted gross income or taxable income for federal income tax purposes for the taxable year, or in the amount of such items entering into the computation of base income and net income under this Act for such taxable year, whether in respect of property values as of August 1, 1969 or otherwise. (Source: P.A. 100-22, eff. 7-6-17; 100-905, eff. 8-17-18; revised 10-29-18.)

Section 10-10. The Use Tax Act is amended by changing Section 2 and by adding Section 2d as follows: (35 ILCS 105/2) (from Ch. 120, par. 439.2)

Sec. 2. Definitions.

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of such property in any form as tangible personal property in the regular course of business to the extent that such property is not first subjected to a use for which it was purchased, and does not include the use of such property by its owner for demonstration purposes: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. "Use" does not mean the demonstration use or interim use of tangible personal property by a retailer before he sells that tangible personal property. For watercraft or aircraft, if the period of demonstration use or interim use by the retailer exceeds 18 months, the retailer shall pay on the retailers' original cost price the tax imposed by this Act, and no credit for that tax is permitted if the watercraft or aircraft is subsequently sold by the retailer. "Use" does not mean the physical incorporation of tangible personal property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, into other tangible personal property (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing.

"Watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

"Purchase at retail" means the acquisition of the ownership of or title to tangible personal property through a sale at retail.

"Purchaser" means anyone who, through a sale at retail, acquires the ownership of tangible personal property for a valuable consideration.

"Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold

is considered to be an intentionally produced by-product of manufacturing. "Sale at retail" includes any such transfer made for resale unless made in compliance with Section 2c of the Retailers' Occupation Tax Act, as incorporated by reference into Section 12 of this Act. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price are sales.

"Sale at retail" shall also be construed to include any Illinois florist's sales transaction in which the purchase order is received in Illinois by a florist and the sale is for use or consumption, but the Illinois florist has a florist in another state deliver the property to the purchaser or the purchaser's donee in such other state.

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of tangible personal property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property other than as hereinafter provided, and services, but not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold, and shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's tax liability under the "Retailers' Occupation Tax Act", or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the seller's duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (A) is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat; (B) is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers; or (C) has a gross vehicle weight rating of 8,000 pounds or less or (2) is a motor vehicle of the first division, "selling price" or "amount of sale" means the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease. Also included in the selling price is any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. For sales that occur in Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor is not required to collect the tax imposed by this Act or to pay the tax imposed by the Retailers' Occupation Tax Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle

to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only allowed if the return is timely filed and for amounts timely paid. The "selling price" of a motor vehicle that is sold on or after January 1, 2015 for the purpose of leasing for a defined period of longer than one year shall not be reduced by the value of or credit given for traded-in tangible personal property owned by the lessor, nor shall it be reduced by the value of or credit given for traded-in tangible personal property owned by the lessee, regardless of whether the trade-in value thereof is assigned by the lessee to the lessor. In the case of a motor vehicle that is sold for the purpose of leasing for a defined period of longer than one year, the sale occurs at the time of the delivery of the vehicle, regardless of the due date of any lease payments. A lessor who incurs a Retailers' Occupation Tax liability on the sale of a motor vehicle coming off lease may not take a credit against that liability for the Use Tax the lessor paid upon the purchase of the motor vehicle (or for any tax the lessor paid with respect to any amount received by the lessor from the lessee for the leased vehicle that was not calculated at the time the lease was executed) if the selling price of the motor vehicle at the time of purchase was calculated using the definition of "selling price" as defined in this paragraph. Notwithstanding any other provision of this Act to the contrary, lessors shall file all returns and make all payments required under this paragraph to the Department by electronic means in the manner and form as required by the Department. This paragraph does not apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the initial defined period.

The phrase "like kind and character" shall be liberally construed (including but not limited to any form of motor vehicle for any form of motor vehicle, or any kind of farm or agricultural implement for any other kind of farm or agricultural implement), while not including a kind of item which, if sold at retail by that retailer, would be exempt from retailers' occupation tax and use tax as an isolated or occasional sale.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Section.

A person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail is a retailer hereunder with respect to such sales (and not primarily in a service occupation) notwithstanding the fact that such person designs and produces such tangible personal property on special order for the purchaser and in such a way as to render the property of value only to such purchaser, if such tangible personal property so produced on special order serves substantially the same function as stock or standard items of tangible personal property that are sold at retail.

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is a retailer with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by schools at retail to students is not "primarily for the purposes of" the school which does such selling. This paragraph does not apply to nor subject to taxation occasional dinners, social or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

A person who is the recipient of a grant or contract under Title VII of the Older Americans Act of 1965 (P.L. 92-258) and serves meals to participants in the federal Nutrition Program for the Elderly in return for contributions established in amount by the individual participant pursuant to a schedule of suggested fees as provided for in the federal Act is not a retailer under this Act with respect to such transactions.

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are retailers hereunder when engaged in such business.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail or a sale through a bulk vending machine does not make such person a retailer hereunder. However, any person who is engaged in a business which is not subject to the tax imposed by the "Retailers' Occupation Tax Act" because of involving the sale of or a contract to sell real estate or a construction

contract to improve real estate, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is a retailer to the extent of the value of the tangible personal property so transferred. If, in such transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purposes of this Act, is the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property.

"Retailer maintaining a place of business in this State", or any like term, means and includes any of the following retailers:

(1) A retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State. However, the ownership of property that is located at the premises of a printer with which the retailer has contracted for printing and that consists of the final printed product, property that becomes a part of the final printed product, or copy from which the printed product is produced shall not result in the retailer being deemed to have or maintain an office, distribution house, sales house, warehouse, or other place of business within this State.

(1.1) A retailer having a contract with a person located in this State under which the person, for a commission or other consideration based upon the sale of tangible personal property by the retailer, directly or indirectly refers potential customers to the retailer by providing to the potential customers a promotional code or other mechanism that allows the retailer to track purchases referred by such persons. Examples of mechanisms that allow the retailer to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers who are referred to the retailer by all persons in this State under such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December. A retailer meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods.

(1.2) Beginning July 1, 2011, a retailer having a contract with a person located in this State under which:

(A) the retailer sells the same or substantially similar line of products as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and

(B) the retailer provides a commission or other consideration to the person located in this State based upon the sale of tangible personal property by the retailer.

The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers in this State under all such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December.

(2) A retailer soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State.

(3) A retailer, pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions.

(4) A retailer soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities.

(5) A retailer that is owned or controlled by the same interests that own or control any

retailer engaging in business in the same or similar line of business in this State.

(6) A retailer having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section.

(7) A retailer, pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State.

(8) A retailer engaging in activities in Illinois, which activities in the state in which the retail business engaging in such activities is located would constitute maintaining a place of business in that state.

(9) Beginning October 1, 2018, a retailer making sales of tangible personal property to purchasers in Illinois from outside of Illinois if:

(A) the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois are \$100,000 or more; or

(B) the retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

The retailer shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the retailer meets the criteria of either subparagraph (A) or (B) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the retailer shall determine whether the retailer met the criteria of either subparagraph (A) or (B) during the preceding 12-month period. If the retailer met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a retailer that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either subparagraph (A) or (B) during the preceding 12-month period, the retailer shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

Beginning January 1, 2020, neither the gross receipts from nor the number of separate transactions for sales of tangible personal property to purchasers in Illinois that a retailer makes through a marketplace facilitator and for which the retailer has received a certification from the marketplace facilitator pursuant to Section 2d of this Act shall be included for purposes of determining whether he or she has met the thresholds of this paragraph (9).

(10) Beginning January 1, 2020, a marketplace facilitator, as defined in Section 2d of this Act.

"Bulk vending machine" means a vending machine, containing unsorted confections, nuts, toys, or other items designed primarily to be used or played with by children which, when a coin or coins of a denomination not larger than \$0.50 are inserted, are dispensed in equal portions, at random and without selection by the customer.

(Source: P.A. 99-78, eff. 7-20-15; 100-587, eff. 6-4-18.)

(35 ILCS 105/2d new)

Sec. 2d. Marketplace facilitators and marketplace sellers.

(a) As used in this Section:

"Affiliate" means a person that, with respect to another person: (i) has a direct or indirect ownership interest of more than 5 percent in the other person; or (ii) is related to the other person because a third person, or a group of third persons who are affiliated with each other as defined in this subsection, holds a direct or indirect ownership interest of more than 5% in the related person.

"Marketplace" means a physical or electronic place, forum, platform, application, or other method by which a marketplace seller sells or offers to sell items.

"Marketplace facilitator" means a person who, pursuant to an agreement with a marketplace seller, facilitates sales of tangible personal property by that marketplace seller. A person facilitates a sale of tangible personal property by, directly or indirectly through one or more affiliates, doing both of the following: (i) listing or otherwise making available for sale the tangible personal property of the marketplace seller through a marketplace owned or operated by the marketplace facilitator; and (ii) processing sales or payments for marketplace sellers.

"Marketplace seller" means a person that sells or offers to sell tangible personal property through a marketplace.

(b) Beginning on January 1, 2020, a marketplace facilitator who meets either of the following criteria is considered the retailer of each sale of tangible personal property made on the marketplace:

(1) the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois by the marketplace facilitator and by marketplace sellers are \$100,000 or more; or

(2) the marketplace facilitator and marketplace sellers cumulatively enter into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

A marketplace facilitator shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) of this subsection (b) for the preceding 12-month period. If the marketplace facilitator meets the criteria of either paragraph (1) or (2) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the marketplace facilitator shall determine whether the marketplace facilitator met the criteria of either paragraph (1) or (2) during the preceding 12-month period. If the marketplace facilitator met the criteria in either paragraph (1) or (2) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a marketplace facilitator that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either paragraph (1) or (2) during the preceding 12-month period, the marketplace facilitator shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) for the preceding 12-month period.

(c) A marketplace facilitator that meets either of the thresholds in subsection (b) of this Section is considered the retailer of each sale made through its marketplace and is liable for collecting and remitting the tax under this Act on all such sales. The marketplace facilitator has all the rights and duties, and is required to comply with the same requirements and procedures, as all other retailers maintaining a place of business in this State who are registered or who are required to be registered to collect and remit the tax imposed by this Act.

(d) A marketplace facilitator shall:

(1) certify to each marketplace seller that the marketplace facilitator assumes the rights and duties of a retailer under this Act with respect to sales made by the marketplace seller through the marketplace; and

(2) collect taxes imposed by this Act as required by Section 3-45 of this Act for sales made through the marketplace.

(e) A marketplace seller shall retain books and records for all sales made through a marketplace in accordance with the requirements of Section 11.

(f) A marketplace seller shall furnish to the marketplace facilitator information that is necessary for the marketplace facilitator to correctly collect and remit taxes for a retail sale. The information may include a certification that an item being sold is taxable, not taxable, exempt from taxation, or taxable at a specified rate. A marketplace seller shall be held harmless for liability for the tax imposed under this Act when a marketplace facilitator fails to correctly collect and remit tax after having been provided with information by a marketplace seller to correctly collect and remit taxes imposed under this Act.

(g) Except as provided in subsection (h), if the marketplace facilitator demonstrates to the satisfaction of the Department that its failure to correctly collect and remit tax on a retail sale resulted from the marketplace facilitator's good faith reliance on incorrect or insufficient information provided by a marketplace seller, it shall be relieved of liability for the tax on that retail sale. In this case, a marketplace seller is liable for any resulting tax due.

(h) A marketplace facilitator and marketplace seller that are affiliates, as defined by subsection (a), are jointly and severally liable for tax liability resulting from a sale made by the affiliated marketplace seller through the marketplace.

(i) This Section does not affect the tax liability of a purchaser under this Act.

(j) No acts or omissions regarding the charging of taxes under this Act shall be the basis for filing an action by a private person under the Illinois False Claims Act. The Department shall have the sole authority to bring an administrative action resulting from information provided by any person alleging a false claim, or alleging that a person has made, used, or caused to be made or used, a false record or statement material to a false claim, as defined in Section 3 of the Illinois False Claims Act, pertaining to any tax collected, or required to be collected, by a marketplace facilitator under this Act. In addition, a court may not certify an action brought against a marketplace facilitator concerning this Section as a class action.

(k) The Department may adopt rules for the administration and enforcement of the provisions of this Section.

Section 10-15. The Service Use Tax Act is amended by changing Section 2 and by adding Section 2d as follows:

(35 ILCS 110/2) (from Ch. 120, par. 439.32)

Sec. 2. Definitions. In this Act:

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, but does not include the sale or use for demonstration by him of that property in any form as tangible personal property in the regular course of business. "Use" does not mean the interim use of tangible personal property nor the physical incorporation of tangible personal property, as an ingredient or constituent, into other tangible personal property, (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois.

"Purchased from a serviceman" means the acquisition of the ownership of, or title to, tangible personal property through a sale of service.

"Purchaser" means any person who, through a sale of service, acquires the ownership of, or title to, any tangible personal property.

"Cost price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service, it shall be presumed that the cost price to the serviceman of the property transferred to him or her by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits and service, and shall be determined without any deduction on account of the serviceman's cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act.

"Department" means the Department of Revenue.

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

"Sale of service" means any transaction except:

(1) a retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(2) a sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(3) except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body, or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes.

(4) (blank).

(4a) a sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors, or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by interstate carriers for hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(4a-5) on and after July 1, 2003 and through June 30, 2004, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section

3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(5) a sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Use Tax or Service Occupation Tax, rather than Use Tax or Retailers' Occupation Tax. The exemption provided by this paragraph (5) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. The exemption under this paragraph (5) is exempt from the provisions of Section 3-75.

(5a) the repairing, reconditioning or remodeling, for a common carrier by rail, of tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and which such carrier transports, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property to a destination outside Illinois, for use outside Illinois.

(5b) a sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignee of such property to a destination outside Illinois, for use outside Illinois.

(6) until July 1, 2003, a sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of such user and not subject to sale or resale.

(7) at the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (5) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. On and after July 1, 2017, exemption (5) also includes graphic arts machinery and equipment, as defined in paragraph (5) of Section 3-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers

through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of exemption (5), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further, for purposes of exemption (5), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The user of such machinery and equipment and tools without an active resale registration number shall prepare a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, which certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (5) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (3) of this Section shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of service or of tangible personal property within the meaning of this Act.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

"Serviceman maintaining a place of business in this State", or any like term, means and includes any serviceman:

(1) having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the serviceman or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such serviceman or subsidiary is licensed to do business in this State;

(1.1) having a contract with a person located in this State under which the person, for a commission or other consideration based on the sale of service by the serviceman, directly or indirectly refers potential customers to the serviceman by providing to the potential customers a promotional code or other mechanism that allows the serviceman to track purchases referred by such persons. Examples

of mechanisms that allow the serviceman to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of service by the serviceman to customers who are referred to the serviceman by all persons in this State under such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December; a serviceman meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods;

(1.2) beginning July 1, 2011, having a contract with a person located in this State under which:

(A) the serviceman sells the same or substantially similar line of services as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and

(B) the serviceman provides a commission or other consideration to the person located in this State based upon the sale of services by the serviceman.

The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts from sales of service by the serviceman to customers in this State under all such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December;

(2) soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State;

(3) pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions;

(4) soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities;

(5) being owned or controlled by the same interests which own or control any retailer engaging in business in the same or similar line of business in this State;

(6) having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section;

(7) pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State;

(8) engaging in activities in Illinois, which activities in the state in which the supply business engaging in such activities is located would constitute maintaining a place of business in that state; or

(9) beginning October 1, 2018, making sales of service to purchasers in Illinois from outside of Illinois if:

(A) the cumulative gross receipts from sales of service to purchasers in Illinois are \$100,000 or more; or

(B) the serviceman enters into 200 or more separate transactions for sales of service to purchasers in Illinois.

The serviceman shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the serviceman meets the criteria of either subparagraph (A) or (B) for a 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the serviceman shall determine whether the serviceman met the criteria of either subparagraph (A) or (B) during the preceding 12-month period. If the serviceman met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a serviceman that was required to collect and remit the tax imposed under this Act

determines that he or she did not meet the criteria in either subparagraph (A) or (B) during the preceding 12-month period, the serviceman subsequently shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

Beginning January 1, 2020, neither the gross receipts from nor the number of separate transactions for sales of service to purchasers in Illinois that a serviceman makes through a marketplace facilitator and for which the serviceman has received a certification from the marketplace facilitator pursuant to Section 2d of this Act shall be included for purposes of determining whether he or she has met the thresholds of this paragraph (9).

(10) Beginning January 1, 2020, a marketplace facilitator, as defined in Section 2d of this Act.

(Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18.)

(35 ILCS 110/2d new)

Sec. 2d. Marketplace facilitators and marketplace servicemen.

(a) Definitions. For purposes of this Section:

"Affiliate" means a person that, with respect to another person: (i) has a direct or indirect ownership interest of more than 5% in the other person; or (ii) is related to the other person because a third person, or group of third persons who are affiliated with each other as defined in this subsection, holds a direct or indirect ownership interest of more than 5% in the related person.

"Marketplace" means a physical or electronic place, forum, platform, application or other method by which a marketplace serviceman makes or offers to make sales of service.

"Marketplace facilitator" means a person who, pursuant to an agreement with a marketplace serviceman, facilitates sales of service by that marketplace serviceman. A person facilitates a sale of service by, directly or indirectly through one or more affiliates, doing both of the following: (i) listing or otherwise making available a sale of service of the marketplace serviceman through a marketplace owned or operated by the marketplace facilitator; and (ii) processing sales of service for, or payments for sales of service by, marketplace servicemen.

"Marketplace serviceman" means a person that makes or offers to make a sale of service through a marketplace.

(b) Beginning January 1, 2020, a marketplace facilitator who meets either of the following criteria is considered the serviceman for each sale of service made on the marketplace:

(1) the cumulative gross receipts from sales of service to purchasers in Illinois by the marketplace facilitator and by marketplace servicemen are \$100,000 or more; or

(2) the marketplace facilitator and marketplace servicemen cumulatively enter into 200 or more separate transactions for the sale of service to purchasers in Illinois.

A marketplace facilitator shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) of this subsection (b) for the preceding 12-month period. If the marketplace facilitator meets the criteria of either paragraph (1) or (2) for a 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the marketplace facilitator shall determine whether the marketplace facilitator met the criteria of either paragraph (1) or (2) during the preceding 12-month period. If the marketplace facilitator met the criteria in either paragraph (1) or (2) for the preceding 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If, at the end of a one-year period, a marketplace facilitator that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either paragraph (1) or (2) during the preceding 12-month period, the marketplace facilitator shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) for the preceding 12-month period.

(c) A marketplace facilitator that meets either of the thresholds in subsection (b) of this Section is considered the serviceman for each sale of service made through its marketplace and is liable for collecting and remitting the tax under this Act on all such sales. The marketplace facilitator has all the rights and duties, and is required to comply with the same requirements and procedures, as all other servicemen maintaining a place of business in this State who are registered or who are required to be registered to collect and remit the tax imposed by this Act.

(d) A marketplace facilitator shall:

(1) certify to each marketplace serviceman that the marketplace facilitator assumes the rights and duties of a serviceman under this Act with respect to sales of service made by the marketplace serviceman through the marketplace; and

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(2) collect taxes imposed by this Act as required by Section 3-40 of this Act for sales of service made through the marketplace.

(e) A marketplace serviceman shall retain books and records for all sales of service made through a marketplace in accordance with the requirements of Section 11.

(f) A marketplace serviceman shall furnish to the marketplace facilitator information that is necessary for the marketplace facilitator to correctly collect and remit taxes for a sale of service. The information may include a certification that an item transferred incident to a sale of service under this Act is taxable, not taxable, exempt from taxation, or taxable at a specified rate. A marketplace serviceman shall be held harmless for liability for the tax imposed under this Act when a marketplace facilitator fails to correctly collect and remit tax after having been provided with information by a marketplace serviceman to correctly collect and remit taxes imposed under this Act.

(g) Except as provided in subsection (h), if the marketplace facilitator demonstrates to the satisfaction of the Department that its failure to correctly collect and remit tax on a sale of service resulted from the marketplace facilitator's good faith reliance on incorrect or insufficient information provided by a marketplace serviceman, it shall be relieved of liability for the tax on that sale of service. In this case, a marketplace serviceman is liable for any resulting tax due.

(h) A marketplace facilitator and marketplace serviceman that are affiliates, as defined by subsection (a), are jointly and severally liable for tax liability resulting from a sale of service made by the affiliated marketplace serviceman through the marketplace.

(i) This Section does not affect the tax liability of a purchaser under this Act.

(j) No acts or omissions regarding the charging of taxes under this Act shall be the basis for filing an action by a private person under the Illinois False Claims Act. The Department shall have the sole authority to bring an administrative action resulting from information provided by any person alleging a false claim, or alleging that a person has made, used, or caused to be made or used, a false record or statement material to a false claim, as defined in Section 3 of the Illinois False Claims Act, pertaining to any tax collected, or required to be collected, by a marketplace facilitator under this Act. In addition, a court may not certify an action brought against a marketplace facilitator concerning this Section as a class action.

(k) The Department may adopt rules for the administration and enforcement of the provisions of this Section.

Section 10-35. The Tax Delinquency Amnesty Act is amended by changing Section 10 as follows:
(35 ILCS 745/10)

Sec. 10. Amnesty program. The Department shall establish an amnesty program for all taxpayers owing any tax imposed by reason of or pursuant to authorization by any law of the State of Illinois and collected by the Department.

The amnesty program shall be for a period from October 1, 2003 through November 15, 2003 and for a period beginning on October 1, 2010 and ending November 8, 2010 and for a period beginning on October 1, 2019 and ending on November 15, 2019.

The amnesty program shall provide that, upon payment by a taxpayer of all taxes due from that taxpayer to the State of Illinois for any taxable period ending (i) after June 30, 1983 and prior to July 1, 2002 for the tax amnesty period occurring from October 1, 2003 through November 15, 2003, ~~and~~ (ii) after June 30, 2002 and prior to July 1, 2009 for the tax amnesty period beginning on October 1, 2010 through November 8, 2010, and (iii) after June 30, 2011 and prior to July 1, 2018 for the tax amnesty period beginning on October 1, 2019 through November 15, 2019, the Department shall abate and not seek to collect any interest or penalties that may be applicable and the Department shall not seek civil or criminal prosecution for any taxpayer for the period of time for which amnesty has been granted to the taxpayer. Failure to pay all taxes due to the State for a taxable period shall invalidate any amnesty granted under this Act. Amnesty shall be granted only if all amnesty conditions are satisfied by the taxpayer.

Amnesty shall not be granted to taxpayers who are a party to any criminal investigation or to any civil or criminal litigation that is pending in any circuit court or appellate court or the Supreme Court of this State for nonpayment, delinquency, or fraud in relation to any State tax imposed by any law of the State of Illinois.

Participation in an amnesty program shall not preclude a taxpayer from claiming a refund for an overpayment of tax on an issue unrelated to the issues for which the taxpayer claimed amnesty or for an overpayment of tax by taxpayers estimating a non-final liability for the amnesty program pursuant to Section 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)).

Voluntary payments made under this Act shall be made by cash, check, guaranteed remittance, or ACH debit.

The Department shall adopt rules as necessary to implement the provisions of this Act.

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Except as otherwise provided in this Section, all money collected under this Act that would otherwise be deposited into the General Revenue Fund shall be deposited as follows: (i) one-half into the Common School Fund; (ii) one-half into the General Revenue Fund. Two percent of all money collected under this Act shall be deposited by the State Treasurer into the Tax Compliance and Administration Fund and, subject to appropriation, shall be used by the Department to cover costs associated with the administration of this Act.

(Source: P.A. 96-1435, eff. 8-16-10.)

Section 10-40. The Health Maintenance Organization Act is amended by changing Section 5-5 and by adding Section 5-10 as follows:

(215 ILCS 125/5-5) (from Ch. 111 1/2, par. 1413)

Sec. 5-5. Suspension, revocation or denial of certification of authority. The Director may suspend or revoke any certificate of authority issued to a health maintenance organization under this Act or deny an application for a certificate of authority if he finds any of the following:

(a) The health maintenance organization is operating significantly in contravention of its basic organizational document, its health care plan, or in a manner contrary to that described in any information submitted under Section 2-1 or 4-12.

(b) The health maintenance organization issues contracts or evidences of coverage or uses a schedule of charges for health care services that do not comply with the requirement of Section 2-1 or 4-12.

(c) The health care plan does not provide or arrange for basic health care services, except as provided in Section 4-13 concerning mental health services for clients of the Department of Children and Family Services.

(d) The Director of Public Health certifies to the Director that (1) the health maintenance organization does not meet the requirements of Section 2-2 or (2) the health maintenance organization is unable to fulfill its obligations to furnish health care services as required under its health care plan. The Department of Public Health shall promulgate by rule, pursuant to the Illinois Administrative Procedure Act, the precise standards used for determining what constitutes a material misrepresentation, what constitutes a material violation of a contract or evidence of coverage, or what constitutes good faith with regard to certification under this paragraph.

(e) The health maintenance organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees.

(f) The health maintenance organization, or any person on its behalf, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner.

(g) The continued operation of the health maintenance organization would be hazardous to its enrollees.

(h) The health maintenance organization has neglected to correct, within the time prescribed by subsection (c) of Section 2-4, any deficiency occurring due to the organization's prescribed minimum net worth or special contingent reserve being impaired.

(i) The health maintenance organization has otherwise failed to substantially comply with this Act.

(j) The health maintenance organization has failed to meet the requirements for issuance of a certificate of authority set forth in Section 2-2.

When the certificate of authority of a health maintenance organization is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization. The Director may permit further operation of the organization that he finds to be in the best interest of enrollees to the end that the enrollees will be afforded the greatest practical opportunity to obtain health care services.

(k) The health maintenance organization has failed to pay any assessment due under Article V-H of the Public Aid Code for 60 days following the due date of the payment (as extended by any grace period granted).

(Source: P.A. 88-487.)

(215 ILCS 125/5-10 new)

Sec. 5-10. Managed care organizations; revenue data.

(a) No managed care organization shall pass the cost of the assessment imposed pursuant to Article V-H of the Public Aid Code on to consumers as a discrete addition to their premiums.

(b) The Department shall provide the Department of Healthcare and Family Services with member months and premium revenue data needed for implementing the assessment imposed under Article V-H of the Public Aid Code.

Section 10-45. The Illinois Public Aid Code is amended by adding the Article V-H as follows:

[June 2, 2019]

(305 ILCS 5/Art. V-H heading new)

ARTICLE V-H. MANAGED CARE ORGANIZATION PROVIDER ASSESSMENT.

(305 ILCS 5/5H-1 new)

Sec. 5H-1. Definitions. As used in this Article:

"Base year" means the 12-month period from January 1, 2018 to December 31, 2018.

"Department" means the Department of Healthcare and Family Services.

"Federal employee health benefit" means the program of health benefits plans, as defined in 5 U.S.C. 8901, available to federal employees under 5 U.S.C. 8901 to 8914.

"Fund" means the Healthcare Provider Relief Fund.

"Managed care organization" means an entity operating under a certificate of authority issued pursuant to the Health Maintenance Organization Act or as a Managed Care Community Network pursuant to Section 5-11 of the Public Aid Code.

"Medicaid managed care organization" means a managed care organization under contract with the Department to provide services to recipients of benefits in the medical assistance program pursuant to Article V of the Public Aid Code, the Children's Health Insurance Program Act, or the Covering ALL KIDS Health Insurance Act. It does not include contracts the same entity or an affiliated entity has for other business.

"Medicare" means the federal Medicare program established under Title XVIII of the federal Social Security Act.

"Member months" means the aggregate total number of months all individuals are enrolled for coverage in a Managed Care Organization during the base year. Member months are determined by the Department for Medicaid Managed Care Organizations based on enrollment data in its Medicaid Management Information System and by the Department of Insurance for other Managed Care Organizations based on required filings with the Department of Insurance. Member months do not include months individuals are enrolled in a Limited Health Services Organization, including stand-alone dental or vision plans, a Medicare Advantage Plan, a Medicare Supplement Plan, a Medicaid Medicare Alignment Initiate Plan pursuant to a Memorandum of Understanding between the Department and the Federal Centers for Medicare and Medicaid Services or a Federal Employee Health Benefits Plan.

(305 ILCS 5/5H-2 new)

Sec. 5H-2. Federal waivers. The Department shall request a waiver from the federal Centers for Medicare and Medicaid Services of the broad-based and uniformity provisions of Section 1903(w)(3)(B) and (C) of Title XIX of the Social Security Act, 42 U.S.C. 1396b, relating to the assessment imposed under this Article. The assessment required pursuant to Section 5H-3 shall not be due and payable until such waiver has been approved and all other federal requirements necessary to obtain federal financial participation have been approved by the Centers for Medicare and Medicaid Services.

(305 ILCS 5/5H-3 new)

Sec. 5H-3. Managed care assessment.

(a) For State Fiscal year 2020 through State Fiscal Year 2025, there is imposed upon managed care organization member months an assessment, calculated on base year data, as set forth below for the appropriate tier:

(1) Tier 1: \$60.20 per member month.

(2) Tier 2: \$1.20 per member month.

(3) Tier 3: \$2.40 per member month.

(b) The tiers are established as follows:

(i) Tier 1 includes the first 4,195,000 member months in a Medicaid managed care organization for the base year;

(ii) Tier 2 includes member months over 4,195,000 in a Medicaid managed care organization during the base year; and

(iv) Tier 3 includes member months during the base year in a managed care organization that is not a Medicaid managed care organization.

(c) For State fiscal year 2020 through State fiscal year 2025, the Department may by rule adjust rates or tier parameters or both in order to maximize the revenue generated by the assessment consistent with federal regulations and to meet federal statistical tests necessary for federal financial participation. Any upward adjustment to the Tier 3 rate shall be the minimum necessary to meet federal statistical tests.

(305 ILCS 5/5H-4 new)

Sec. 5H-4. Payment of assessment.

(a) The assessment payable pursuant to Section 5H-3 shall be due and payable in monthly installments, each equaling one-twelfth of the assessment for the year, on the first State business day of each month.

(b) If the approval of the waivers required under Section 5H-2 is delayed beyond the start of State fiscal year 2020, then the first installment shall be due on the first business day of the first month that begins more than 15 days after the date of such approval. In the event approval results in installments beginning after July 1, 2019, the amount of each installment for that fiscal year shall equal the full amount of the annual assessment divided by the number of payments that will be paid in fiscal year 2020.

(c) The Department shall notify each managed care organization of its annual fiscal year 2020 assessment and the installment due dates no later than 30 days prior to the first installment due date and the annual assessment and due dates for each subsequent year at least 30 days prior to the start of each fiscal year.

(d) Proceeds from the assessment levied pursuant to Section 5H-3 shall be deposited into the Fund.
(305 ILCS 5/5H-5 new)

Sec. 5H-5. Liability or resultant entities. In the event of a merger, acquisition, or any similar transaction involving entities subject to the assessment under this Article, the resultant entity shall be responsible for the full amount of the assessment for all entities involved in the transaction with the member months allotted to tiers as they were prior to the transaction and no member months shall change tiers as a result of any transaction. A managed care organization that ceases doing business in the State during any fiscal year shall be liable only for the monthly installments due in months that they operated in the State. The Department shall by rule establish a methodology to set the assessment base member months for a managed care organization that begins operating in the State at any time after 2018. Nothing in this Section shall be construed to limit authority granted in subsection (c) of Section 5H-3.

(305 ILCS 5/5H-6 new)

Sec. 5H-6. Recordkeeping; penalties.

(a) A managed care organization that is liable for the assessment under this Article shall keep accurate and complete records and pertinent documents as may be required by the Department. Records required by the Department shall be retained for a period of 4 years after the assessment imposed under this Act to which the records apply is due or as otherwise provided by law. The Department or the Department of Insurance may audit all records necessary to ensure compliance with this Article and make adjustments to assessment amounts previously calculated based on the results of any such audit.

(b) If a managed care organization fails to make a payment due under this Article in a timely fashion, they shall pay an additional penalty of 5% of the amount of the installment not paid on or before the due date, or any grace period granted, plus 5% of the portion thereof remaining unpaid on the last day of each 30-day period thereafter. The Department is authorized to grant grace periods of up to 30 days upon request of a managed care organization for good cause due to financial or other difficulties, as determined by the Department. If a managed care organization fails to make a payment within 60 days after the due date the Department shall additionally impose a contractual sanction allowed against a Medicaid managed care organization and may terminate any such contract. The Department of Insurance shall take action against the certificate of authority of a non-Medicaid managed care organization that fails to pay an installment within 60 days after the due date.

(305 ILCS 5/5H-7 new)

Sec. 5H-7. Rulemaking. The Department may by rule modify or make adjustments to any methodology, assessment amount, assessment tier, or other similar provision specified in this Article, including broadening the tax base in subsection (a) of Section 5H-3, to the extent necessary to meet the requirements of federal law or regulations, obtain federal approval, or to ensure federal financial participation is available. However, upward adjustments to Tier 3 rates shall be the minimum necessary to meet federal statistical tests to receive federal financial participation. The Department shall adopt rules to implement this Article under the Illinois Administrative Procedure Act.

(305 ILCS 5/5H-8 new)

Sec. 5H-8. Duties of the Department.

(a) The Department shall ensure that rates to Medicaid managed care organizations are actuarially sound including appropriate incorporation of assessments under this Article, other taxes and administrative expenses, including standardization of processes, and cost of medical care.

(b) The Department shall pay to each Medicaid managed care organization the amount required to be included in its rates due to the assessment under this Article in order to ensure actuarial soundness within 10 business days of receipt of each assessment payment from the Medicaid managed care organization. The Department shall extend the deadline for any assessment payment due after the initial assessment payment if the payment to the managed care organizations under this subsection for the previous assessment payment has not been paid. Such extension shall extend until 7 business days after receipt by the managed care organization of the late payment under this subsection.

(c) Reimbursement of assessments paid under this Article shall not be required to count as revenue towards any calculation of the managed care organization's medical loss ratio, net worth, risk based capital or other deposit requirements as may otherwise be required under the Insurance Code. Such reimbursements will be considered revenue in calculating the 6% limit under 42 U.S.C. 433.68(f)(3).

(d) The Department shall include in its annual report, beginning with its fiscal year 2020 report, and every year thereafter, information on the revenues collected from this assessment, the federal funds drawn based on those revenues, the rates set in Section 5H-3 or any alterations thereof by administrative rule, and other impacts this gross revenue has had on the Medicaid program.

Section 10-50. The Franchise Tax and License Fee Amnesty Act of 2007 is amended by changing Section 5-10 as follows:

(805 ILCS 8/5-10)

Sec. 5-10. Amnesty program. The Secretary shall establish an amnesty program for all taxpayers owing any franchise tax or license fee imposed by Article XV of the Business Corporation Act of 1983. The amnesty program shall be for a period from February 1, 2008 through March 15, 2008. The amnesty program shall also be for a period between October 1, 2019 and November 15, 2019, and shall apply to franchise tax or license fee liabilities for any tax period ending after March 15, 2008 and on or before June 30, 2019. The amnesty program shall provide that, upon payment by a taxpayer of all franchise taxes and license fees due from that taxpayer to the State of Illinois for any taxable period, the Secretary shall abate and not seek to collect any interest or penalties that may be applicable, and the Secretary shall not seek civil or criminal prosecution for any taxpayer for the period of time for which amnesty has been granted to the taxpayer. Failure to pay all taxes due to the State for a taxable period shall not invalidate any amnesty granted under this Act with respect to the taxes paid pursuant to the amnesty program. Amnesty shall be granted only if all amnesty conditions are satisfied by the taxpayer. Amnesty shall not be granted to taxpayers who are a party to any criminal investigation or to any civil or criminal litigation that is pending in any circuit court or appellate court or the Supreme Court of this State for nonpayment, delinquency, or fraud in relation to any franchise tax or license fee imposed by Article XV of the Business Corporation Act of 1983. Voluntary payments made under this Act shall be made by check, guaranteed remittance, or ACH debit. The Secretary shall adopt rules as necessary to implement the provisions of this Act. Except as otherwise provided in this Section, all money collected under this Act that would otherwise be deposited into the General Revenue Fund shall be deposited into the General Revenue Fund. Two percent of all money collected under this Act shall be deposited by the State Treasurer into the Franchise Tax and License Fee Amnesty Administration Fund and, subject to appropriation, shall be used by the Secretary to cover costs associated with the administration of this Act.

(Source: P.A. 95-233, eff. 8-16-07; 95-707, eff. 1-11-08.)

ARTICLE 99. EFFECTIVE DATE

Section 999. Effective date. This Act takes effect upon becoming law."

AMENDMENT NO. 3 TO SENATE BILL 689

AMENDMENT NO. 3. Amend Senate Bill 689, AS AMENDED, by replacing everything after the enacting clause with the following:

"ARTICLE 10. AMENDATORY PROVISIONS

Section 10-3. The State Finance Act is amended by changing Section 6z-81 as follows:

(30 ILCS 105/6z-81)

Sec. 6z-81. Healthcare Provider Relief Fund.

(a) There is created in the State treasury a special fund to be known as the Healthcare Provider Relief Fund.

(b) The Fund is created for the purpose of receiving and disbursing moneys in accordance with this Section. Disbursements from the Fund shall be made only as follows:

(1) Subject to appropriation, for payment by the Department of Healthcare and

Family Services or by the Department of Human Services of medical bills and related expenses, including administrative expenses, for which the State is responsible under Titles XIX and XXI of the Social Security Act, the Illinois Public Aid Code, the Children's Health Insurance Program Act, the Covering ALL KIDS Health Insurance Act, and the Long Term Acute Care Hospital Quality Improvement Transfer Program Act.

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(2) For repayment of funds borrowed from other State funds or from outside sources, including interest thereon.

(3) For State fiscal years 2017, 2018, and 2019, for making payments to the human poison control center pursuant to Section 12-4.105 of the Illinois Public Aid Code.

(c) The Fund shall consist of the following:

(1) Moneys received by the State from short-term borrowing pursuant to the Short Term Borrowing Act on or after the effective date of Public Act 96-820.

(2) All federal matching funds received by the Illinois Department of Healthcare and Family Services as a result of expenditures made by the Department that are attributable to moneys deposited in the Fund.

(3) All federal matching funds received by the Illinois Department of Healthcare and Family Services as a result of federal approval of Title XIX State plan amendment transmittal number 07-09.

(3.5) Proceeds from the assessment authorized under Article V-H of the Public Aid Code.

(4) All other moneys received for the Fund from any other source, including interest earned thereon.

(5) All federal matching funds received by the Illinois Department of Healthcare and Family Services as a result of expenditures made by the Department for Medical Assistance from the General Revenue Fund, the Tobacco Settlement Recovery Fund, the Long-Term Care Provider Fund, and the Drug Rebate Fund related to individuals eligible for medical assistance pursuant to the Patient Protection and Affordable Care Act (P.L. 111-148) and Section 5-2 of the Illinois Public Aid Code.

(d) In addition to any other transfers that may be provided for by law, on the effective date of Public Act 97-44, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$365,000,000 from the General Revenue Fund into the Healthcare Provider Relief Fund.

(e) In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$160,000,000 from the General Revenue Fund to the Healthcare Provider Relief Fund.

(f) Notwithstanding any other State law to the contrary, and in addition to any other transfers that may be provided for by law, the State Comptroller shall order transferred and the State Treasurer shall transfer \$500,000,000 to the Healthcare Provider Relief Fund from the General Revenue Fund in equal monthly installments of \$100,000,000, with the first transfer to be made on July 1, 2012, or as soon thereafter as practical, and with each of the remaining transfers to be made on August 1, 2012, September 1, 2012, October 1, 2012, and November 1, 2012, or as soon thereafter as practical. This transfer may assist the Department of Healthcare and Family Services in improving Medical Assistance bill processing timeframes or in meeting the possible requirements of Senate Bill 3397, or other similar legislation, of the 97th General Assembly should it become law.

(g) Notwithstanding any other State law to the contrary, and in addition to any other transfers that may be provided for by law, on July 1, 2013, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$601,000,000 from the General Revenue Fund to the Healthcare Provider Relief Fund.

(Source: P.A. 99-516, eff. 6-30-16; 100-587, eff. 6-4-18.)

Section 10-5. The Illinois Income Tax Act is amended by changing Section 203 as follows:

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

Sec. 203. Base income defined.

(a) Individuals.

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

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

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

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

(C) An amount equal to the amount received during the taxable year as a recovery or

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

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

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

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

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

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

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

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

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

This paragraph shall not apply to the following:

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

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

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

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

(iii) the taxpayer can establish, based on clear and convincing evidence, that

the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

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

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

(D-18) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

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

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

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

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

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

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

(D-19) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this Act.

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

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

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

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

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

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

administered by the State, an amount equal to the contribution component of the nonqualified withdrawal or refund that was previously deducted from base income under subsection (a)(2)(Y) of this Section, and (2) in the case of a nonqualified withdrawal or refund from a qualified ABLE program under Section 529A of the Internal Revenue Code administered by the State that is not used for qualified disability expenses, an amount equal to the contribution component of the nonqualified withdrawal or refund that was previously deducted from base income under subsection (a)(2)(HH) of this Section;

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

(D-24) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year; and by deducting from the total so obtained the sum of the following amounts:

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

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

(G) The valuation limitation amount;

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

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

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

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

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

(M) With the exception of any amounts subtracted under subparagraph (N), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2), and ~~265(a)(2)~~ ~~265(2)~~ of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section ~~265(a)(1)~~ ~~265(4)~~ of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal

Revenue Code, plus, for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

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

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

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

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

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

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

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

(X) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and

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

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

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

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

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

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

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

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

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

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

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to that addition modification.

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

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

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

(CC) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of that addition

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

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

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

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

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

(HH) For taxable years beginning on or after January 1, 2018 and prior to January 1, 2023, a maximum of \$10,000 contributed in the taxable year to a qualified ABLE account under Section 16.6 of the State Treasurer Act, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) or Section 529A(c)(1)(C) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (HH). For purposes of this subparagraph (HH), contributions made by an employer on behalf of an employee, or matching contributions made by an employee, shall be treated as made by the employee.

(b) Corporations.

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

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

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

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

(C) In the case of a regulated investment company, an amount equal to the excess of

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

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

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

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

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

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

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

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

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

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

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

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

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(E-13) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(b)(2)(E-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

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

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

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

(b) the transaction giving rise to the intangible expense or cost between

the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred,

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

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

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

(E-15) For taxable years beginning after December 31, 2008, any deduction for dividends paid by a captive real estate investment trust that is allowed to a real estate investment trust under Section 857(b)(2)(B) of the Internal Revenue Code for dividends paid;

(E-16) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(E-17) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year;

(E-18) for taxable years beginning after December 31, 2018, an amount equal to the deduction allowed under Section 250(a)(1)(A) of the Internal Revenue Code for the taxable year.

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

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

(G) An amount equal to any amount included in such total under Section 78 of the Internal Revenue Code;

(H) In the case of a regulated investment company, an amount equal to the amount of exempt interest dividends as defined in subsection (b)(5) of Section 852 of the Internal Revenue Code, paid to shareholders for the taxable year;

(I) With the exception of any amounts subtracted under subparagraph (J), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2), and 265(a)(2) and amounts disallowed as interest expense by Section 291(a)(3) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, for tax years ending on or after December 31, 2011, amounts disallowed as deductions by Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code and the policyholders' share of tax-exempt interest of a life insurance company under Section 807(a)(2)(B) of the Internal Revenue Code (in the case of a life insurance company with gross income from a decrease in reserves for the tax year) or Section 807(b)(1)(B) of the Internal Revenue Code (in the case of a life insurance company allowed a deduction for an increase in reserves for the tax year); the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

(M) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the River Edge Redevelopment Zone Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(f) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(f) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in the River Edge Redevelopment Zone. The subtraction modification available to the taxpayer in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence. This subparagraph (M) is exempt from the provisions of Section 250;

(M-1) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the High Impact Business Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(h) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(h) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois. No taxpayer that is eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall be eligible for the deduction provided under this subparagraph (M-1). The subtraction modification available to taxpayers in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence;

(N) Two times any contribution made during the taxable year to a designated zone organization to the extent that the contribution (i) qualifies as a charitable contribution under subsection (c) of Section 170 of the Internal Revenue Code and (ii) must, by its terms, be used for a project approved by the Department of Commerce and Economic Opportunity under Section 11 of the Illinois Enterprise Zone Act or under Section 10-10 of the River Edge Redevelopment Zone Act. This subparagraph (N) is exempt from the provisions of Section 250;

(O) An amount equal to: (i) 85% for taxable years ending on or before December 31, 1992, or, a percentage equal to the percentage allowable under Section 243(a)(1) of the Internal Revenue Code of 1986 for taxable years ending after December 31, 1992, of the amount by which dividends included in taxable income and received from a corporation that is not created or organized under the laws of the United States or any state or political subdivision thereof, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 965 of the Internal Revenue Code, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends, and including, for taxable years ending on or after December 31, 2008, dividends received from a captive real estate investment trust; plus (ii) 100% of the amount by which dividends, included in taxable income and received, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code and including, for taxable years ending on or after December 31, 2008, dividends received from a captive real estate investment trust, from any such corporation specified in clause (i) that would but for the provisions of Section 1504(b)(3) of the Internal Revenue Code be treated as a member of the affiliated group which includes the dividend recipient, exceed the amount of the modification provided under subparagraph (G) of paragraph (2)

of this subsection (b) which is related to such dividends. This subparagraph (O) is exempt from the provisions of Section 250 of this Act;

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

(Q) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

(R) On and after July 20, 1999, in the case of an attorney-in-fact with respect to whom an interinsurer or a reciprocal insurer has made the election under Section 835 of the Internal Revenue Code, 26 U.S.C. 835, an amount equal to the excess, if any, of the amounts paid or incurred by that interinsurer or reciprocal insurer in the taxable year to the attorney-in-fact over the deduction allowed to that interinsurer or reciprocal insurer with respect to the attorney-in-fact under Section 835(b) of the Internal Revenue Code for the taxable year; the provisions of this subparagraph are exempt from the provisions of Section 250;

(S) For taxable years ending on or after December 31, 1997, in the case of a Subchapter S corporation, an amount equal to all amounts of income allocable to a shareholder subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act, including amounts allocable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code. This subparagraph (S) is exempt from the provisions of Section 250;

(T) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

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

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

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

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

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

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

(U) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

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

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

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

account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-19), Section 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section 203(d)(2)(D-9), but not to exceed the amount of that addition modification. This subparagraph (V) is exempt from the provisions of Section 250;

(W) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-12) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (W) is exempt from the provisions of Section 250;

(X) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (X) is exempt from the provisions of Section 250;

(Y) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(b)(2)(E-14), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (Y), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250; and

(Z) The difference between the nondeductible controlled foreign corporation dividends under Section 965(e)(3) of the Internal Revenue Code over the taxable income of the taxpayer, computed without regard to Section 965(e)(2)(A) of the Internal Revenue Code, and without regard to any net operating loss deduction. This subparagraph (Z) is exempt from the provisions of Section 250.

(3) Special rule. For purposes of paragraph (2)(A), "gross income" in the case of a life insurance company, for tax years ending on and after December 31, 1994, and prior to December 31, 2011, shall mean the gross investment income for the taxable year and, for tax years ending on or after December 31, 2011, shall mean all amounts included in life insurance gross income under Section 803(a)(3) of the Internal Revenue Code.

(c) Trusts and estates.

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

(2) Modifications. Subject to the provisions of paragraph (3), the taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

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

(B) In the case of (i) an estate, \$600; (ii) a trust which, under its governing instrument, is required to distribute all of its income currently, \$300; and (iii) any other trust, \$100, but in each such case, only to the extent such amount was deducted in the computation of taxable income;

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

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

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

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

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

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

(F) For taxable years ending on or after January 1, 1989, an amount equal to the tax deducted pursuant to Section 164 of the Internal Revenue Code if the trust or estate is claiming the same tax for purposes of the Illinois foreign tax credit under Section 601 of this Act;

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

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

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

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

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

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

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

This paragraph shall not apply to the following:

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

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

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

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

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

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

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

(G-13) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(c)(2)(G-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes: (1) expenses, losses, and costs for or related to the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

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

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

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

(b) the transaction giving rise to the intangible expense or cost between

the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

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

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

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

(G-15) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(G-16) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year; and by deducting from the total so obtained the sum of the following amounts:

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

(I) The valuation limitation amount;

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

(K) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C), (D), (E), (F) and (G) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(L) With the exception of any amounts subtracted under subparagraph (K), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2) and 265(a)(2) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section ~~265(a)(1)~~ 265(l) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, (iii) for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(M) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations

in a River Edge Redevelopment Zone or zones. This subparagraph (M) is exempt from the provisions of Section 250;

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

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

(P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

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

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

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

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

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

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

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

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

(S) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

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

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

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

(U) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-12) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (U) is exempt from the provisions of Section 250;

(V) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (V) is exempt from the provisions of Section 250;

(W) in the case of an estate, an amount equal to all amounts included in such total pursuant to the provisions of Section 111 of the Internal Revenue Code as a recovery of items previously deducted by the decedent from adjusted gross income in the computation of taxable income. This subparagraph (W) is exempt from Section 250;

(X) an amount equal to the refund included in such total of any tax deducted for federal income tax purposes, to the extent that deduction was added back under subparagraph (F). This subparagraph (X) is exempt from the provisions of Section 250; and

(Y) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(c)(2)(G-14), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (Y), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250; and -

(Z) For taxable years beginning after December 31, 2018 and before January 1, 2026, the amount of excess business loss of the taxpayer disallowed as a deduction by Section 461(l)(1)(B) of the Internal Revenue Code.

(3) Limitation. The amount of any modification otherwise required under this subsection shall, under regulations prescribed by the Department, be adjusted by any amounts included therein which were properly paid, credited, or required to be distributed, or permanently set aside for charitable purposes pursuant to Internal Revenue Code Section 642(c) during the taxable year.

(d) Partnerships.

(1) In general. In the case of a partnership, base income means an amount equal to the

taxpayer's taxable income for the taxable year as modified by paragraph (2).

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

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

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

(C) The amount of deductions allowed to the partnership pursuant to Section 707 (c) of the Internal Revenue Code in calculating its taxable income;

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

(D-5) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(D-6) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (O) with respect to that property.

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

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

(D-7) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

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

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

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

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

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

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to

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

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

(D-8) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets;

This paragraph shall not apply to the following:

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

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

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

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

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

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

(D-9) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under

Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

(D-10) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

(D-11) For taxable years ending on or after December 31, 2017, an amount equal to the deduction allowed under Section 199 of the Internal Revenue Code for the taxable year; and by deducting from the total so obtained the following amounts:

(E) The valuation limitation amount;

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

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

(H) Any income of the partnership which constitutes personal service income as defined in Section 1348(b)(1) of the Internal Revenue Code (as in effect December 31, 1981) or a reasonable allowance for compensation paid or accrued for services rendered by partners to the partnership, whichever is greater; this subparagraph (H) is exempt from the provisions of Section 250;

(I) An amount equal to all amounts of income distributable to an entity subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act including amounts distributable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code; this subparagraph (I) is exempt from the provisions of Section 250;

(J) With the exception of any amounts subtracted under subparagraph (G), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2), and 265(a)(2) ~~265(2)~~ of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) ~~265(1)~~ of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, (iii) for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

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

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

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

(N) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

(O) For taxable years 2001 and thereafter, for the taxable year in which the bonus

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

- (1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;
- (2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and
- (3) for taxable years ending after December 31, 2005:
 - (i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and
 - (ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

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

(P) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

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

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

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

(R) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(d)(2)(D-7) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (R) is exempt from Section 250;

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

203(d)(2)(D-8) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (S) is exempt from Section 250; and

(T) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(d)(2)(D-9), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (T), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (T). This subparagraph (T) is exempt from the provisions of Section 250.

(e) Gross income; adjusted gross income; taxable income.

(1) In general. Subject to the provisions of paragraph (2) and subsection (b)(3), for purposes of this Section and Section 803(e), a taxpayer's gross income, adjusted gross income, or taxable income for the taxable year shall mean the amount of gross income, adjusted gross income or taxable income properly reportable for federal income tax purposes for the taxable year under the provisions of the Internal Revenue Code. Taxable income may be less than zero. However, for taxable years ending on or after December 31, 1986, net operating loss carryforwards from taxable years ending prior to December 31, 1986, may not exceed the sum of federal taxable income for the taxable year before net operating loss deduction, plus the excess of addition modifications over subtraction modifications for the taxable year. For taxable years ending prior to December 31, 1986, taxable income may never be an amount in excess of the net operating loss for the taxable year as defined in subsections (c) and (d) of Section 172 of the Internal Revenue Code, provided that when taxable income of a corporation (other than a Subchapter S corporation), trust, or estate is less than zero and addition modifications, other than those provided by subparagraph (E) of paragraph (2) of subsection (b) for corporations or subparagraph (E) of paragraph (2) of subsection (c) for trusts and estates, exceed subtraction modifications, an addition modification must be made under those subparagraphs for any other taxable year to which the taxable income less than zero (net operating loss) is applied under Section 172 of the Internal Revenue Code or under subparagraph (E) of paragraph (2) of this subsection (e) applied in conjunction with Section 172 of the Internal Revenue Code.

(2) Special rule. For purposes of paragraph (1) of this subsection, the taxable income properly reportable for federal income tax purposes shall mean:

(A) Certain life insurance companies. In the case of a life insurance company subject to the tax imposed by Section 801 of the Internal Revenue Code, life insurance company taxable income, plus the amount of distribution from pre-1984 policyholder surplus accounts as calculated under Section 815a of the Internal Revenue Code;

(B) Certain other insurance companies. In the case of mutual insurance companies subject to the tax imposed by Section 831 of the Internal Revenue Code, insurance company taxable income;

(C) Regulated investment companies. In the case of a regulated investment company subject to the tax imposed by Section 852 of the Internal Revenue Code, investment company taxable income;

(D) Real estate investment trusts. In the case of a real estate investment trust subject to the tax imposed by Section 857 of the Internal Revenue Code, real estate investment trust taxable income;

(E) Consolidated corporations. In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated income tax return for the taxable year for federal income tax purposes, taxable income determined as if such corporation had filed a separate return for federal income tax purposes for the taxable year and each preceding taxable year for which it was a member of an affiliated group. For purposes of this subparagraph, the taxpayer's separate taxable income shall be determined as if the election provided by Section 243(b)(2) of the Internal Revenue Code had been in effect for all such years;

(F) Cooperatives. In the case of a cooperative corporation or association, the taxable income of such organization determined in accordance with the provisions of Section 1381 through 1388 of the Internal Revenue Code, but without regard to the prohibition against offsetting losses from patronage activities against income from nonpatronage activities; except that a cooperative corporation or association may make an election to follow its federal income tax

treatment of patronage losses and nonpatronage losses. In the event such election is made, such losses shall be computed and carried over in a manner consistent with subsection (a) of Section 207 of this Act and apportioned by the apportionment factor reported by the cooperative on its Illinois income tax return filed for the taxable year in which the losses are incurred. The election shall be effective for all taxable years with original returns due on or after the date of the election. In addition, the cooperative may file an amended return or returns, as allowed under this Act, to provide that the election shall be effective for losses incurred or carried forward for taxable years occurring prior to the date of the election. Once made, the election may only be revoked upon approval of the Director. The Department shall adopt rules setting forth requirements for documenting the elections and any resulting Illinois net loss and the standards to be used by the Director in evaluating requests to revoke elections. Public Act 96-932 is declaratory of existing law;

(G) Subchapter S corporations. In the case of: (i) a Subchapter S corporation for which there is in effect an election for the taxable year under Section 1362 of the Internal Revenue Code, the taxable income of such corporation determined in accordance with Section 1363(b) of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 1363(b)(1) of the Internal Revenue Code to be separately stated; and (ii) a Subchapter S corporation for which there is in effect a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982, the taxable income of such corporation determined in accordance with the federal Subchapter S rules as in effect on July 1, 1982; and

(H) Partnerships. In the case of a partnership, taxable income determined in accordance with Section 703 of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 703(a)(1) to be separately stated but which would be taken into account by an individual in calculating his taxable income.

(3) Recapture of business expenses on disposition of asset or business. Notwithstanding any other law to the contrary, if in prior years income from an asset or business has been classified as business income and in a later year is demonstrated to be non-business income, then all expenses, without limitation, deducted in such later year and in the 2 immediately preceding taxable years related to that asset or business that generated the non-business income shall be added back and recaptured as business income in the year of the disposition of the asset or business. Such amount shall be apportioned to Illinois using the greater of the apportionment fraction computed for the business under Section 304 of this Act for the taxable year or the average of the apportionment fractions computed for the business under Section 304 of this Act for the taxable year and for the 2 immediately preceding taxable years.

(f) Valuation limitation amount.

(1) In general. The valuation limitation amount referred to in subsections (a)(2)(G),

(c)(2)(I) and (d)(2)(E) is an amount equal to:

(A) The sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of gain reportable under the provisions of Section 1245 or 1250 of the Internal Revenue Code) for all property in respect of which such gain was reported for the taxable year; plus

(B) The lesser of (i) the sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of capital gain) for all property in respect of which such gain was reported for federal income tax purposes for the taxable year, or (ii) the net capital gain for the taxable year, reduced in either case by any amount of such gain included in the amount determined under subsection (a)(2)(F) or (c)(2)(H).

(2) Pre-August 1, 1969 appreciation amount.

(A) If the fair market value of property referred to in paragraph (1) was readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is the lesser of (i) the excess of such fair market value over the taxpayer's basis (for determining gain) for such property on that date (determined under the Internal Revenue Code as in effect on that date), or (ii) the total gain realized and reportable for federal income tax purposes in respect of the sale, exchange or other disposition of such property.

(B) If the fair market value of property referred to in paragraph (1) was not readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is that amount which bears the same ratio to the total gain reported in respect of the property for federal income tax purposes for the taxable year, as the number of full calendar months in that part of the taxpayer's holding period for the property ending July 31, 1969 bears to the number of full calendar months in the taxpayer's entire holding period for the property.

(C) The Department shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph.

(g) Double deductions. Unless specifically provided otherwise, nothing in this Section shall permit the same item to be deducted more than once.

(h) Legislative intention. Except as expressly provided by this Section there shall be no modifications or limitations on the amounts of income, gain, loss or deduction taken into account in determining gross income, adjusted gross income or taxable income for federal income tax purposes for the taxable year, or in the amount of such items entering into the computation of base income and net income under this Act for such taxable year, whether in respect of property values as of August 1, 1969 or otherwise. (Source: P.A. 100-22, eff. 7-6-17; 100-905, eff. 8-17-18; revised 10-29-18.)

Section 10-10. The Use Tax Act is amended by changing Section 2 and by adding Section 2d as follows: (35 ILCS 105/2) (from Ch. 120, par. 439.2)

Sec. 2. Definitions.

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of such property in any form as tangible personal property in the regular course of business to the extent that such property is not first subjected to a use for which it was purchased, and does not include the use of such property by its owner for demonstration purposes: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. "Use" does not mean the demonstration use or interim use of tangible personal property by a retailer before he sells that tangible personal property. For watercraft or aircraft, if the period of demonstration use or interim use by the retailer exceeds 18 months, the retailer shall pay on the retailers' original cost price the tax imposed by this Act, and no credit for that tax is permitted if the watercraft or aircraft is subsequently sold by the retailer. "Use" does not mean the physical incorporation of tangible personal property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, into other tangible personal property (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing.

"Watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

"Purchase at retail" means the acquisition of the ownership of or title to tangible personal property through a sale at retail.

"Purchaser" means anyone who, through a sale at retail, acquires the ownership of tangible personal property for a valuable consideration.

"Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold is considered to be an intentionally produced by-product of manufacturing. "Sale at retail" includes any such transfer made for resale unless made in compliance with Section 2c of the Retailers' Occupation Tax Act, as incorporated by reference into Section 12 of this Act. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price are sales.

"Sale at retail" shall also be construed to include any Illinois florist's sales transaction in which the purchase order is received in Illinois by a florist and the sale is for use or consumption, but the Illinois florist has a florist in another state deliver the property to the purchaser or the purchaser's donee in such other state.

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items

include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of tangible personal property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property other than as hereinafter provided, and services, but not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold, and shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's tax liability under the "Retailers' Occupation Tax Act", or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the seller's duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (A) is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat; (B) is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers; or (C) has a gross vehicle weight rating of 8,000 pounds or less or (2) is a motor vehicle of the first division, "selling price" or "amount of sale" means the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease. Also included in the selling price is any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. For sales that occur in Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor is not required to collect the tax imposed by this Act or to pay the tax imposed by the Retailers' Occupation Tax Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only allowed if the return is timely filed and for amounts timely paid. The "selling price" of a motor vehicle that is sold on or after January 1, 2015 for the purpose of leasing for a defined period of longer than one year shall not be reduced by the value of or credit given for traded-in tangible personal property owned by the lessor, nor shall it be reduced by the value of or credit given for traded-in tangible personal property owned by the lessee, regardless of whether the trade-in value thereof is assigned by the lessee to the lessor. In the case of a motor vehicle that is sold for the purpose of leasing for a defined period of longer than one year, the sale occurs at the time of the delivery of the vehicle, regardless of the due date of any lease payments. A lessor who incurs a Retailers' Occupation Tax liability on the sale of a motor vehicle coming off lease may not take a credit against that liability for the Use Tax the lessor paid upon the purchase of the motor vehicle

(or for any tax the lessor paid with respect to any amount received by the lessor from the lessee for the leased vehicle that was not calculated at the time the lease was executed) if the selling price of the motor vehicle at the time of purchase was calculated using the definition of "selling price" as defined in this paragraph. Notwithstanding any other provision of this Act to the contrary, lessors shall file all returns and make all payments required under this paragraph to the Department by electronic means in the manner and form as required by the Department. This paragraph does not apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the initial defined period.

The phrase "like kind and character" shall be liberally construed (including but not limited to any form of motor vehicle for any form of motor vehicle, or any kind of farm or agricultural implement for any other kind of farm or agricultural implement), while not including a kind of item which, if sold at retail by that retailer, would be exempt from retailers' occupation tax and use tax as an isolated or occasional sale.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Section.

A person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail is a retailer hereunder with respect to such sales (and not primarily in a service occupation) notwithstanding the fact that such person designs and produces such tangible personal property on special order for the purchaser and in such a way as to render the property of value only to such purchaser, if such tangible personal property so produced on special order serves substantially the same function as stock or standard items of tangible personal property that are sold at retail.

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is a retailer with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by schools at retail to students is not "primarily for the purposes of" the school which does such selling. This paragraph does not apply to nor subject to taxation occasional dinners, social or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

A person who is the recipient of a grant or contract under Title VII of the Older Americans Act of 1965 (P.L. 92-258) and serves meals to participants in the federal Nutrition Program for the Elderly in return for contributions established in amount by the individual participant pursuant to a schedule of suggested fees as provided for in the federal Act is not a retailer under this Act with respect to such transactions.

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are retailers hereunder when engaged in such business.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail or a sale through a bulk vending machine does not make such person a retailer hereunder. However, any person who is engaged in a business which is not subject to the tax imposed by the "Retailers' Occupation Tax Act" because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is a retailer to the extent of the value of the tangible personal property so transferred. If, in such transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purposes of this Act, is the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property.

"Retailer maintaining a place of business in this State", or any like term, means and includes any of the following retailers:

- (1) A retailer having or maintaining within this State, directly or by a subsidiary, an

office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State. However, the ownership of property that is located at the premises of a printer with which the retailer has contracted for printing and that consists of the final printed product, property that becomes a part of the final printed product, or copy from which the printed product is produced shall not result in the retailer being deemed to have or maintain an office, distribution house, sales house, warehouse, or other place of business within this State.

(1.1) A retailer having a contract with a person located in this State under which the person, for a commission or other consideration based upon the sale of tangible personal property by the retailer, directly or indirectly refers potential customers to the retailer by providing to the potential customers a promotional code or other mechanism that allows the retailer to track purchases referred by such persons. Examples of mechanisms that allow the retailer to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers who are referred to the retailer by all persons in this State under such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December. A retailer meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods.

(1.2) Beginning July 1, 2011, a retailer having a contract with a person located in this State under which:

(A) the retailer sells the same or substantially similar line of products as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and

(B) the retailer provides a commission or other consideration to the person located in this State based upon the sale of tangible personal property by the retailer.

The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers in this State under all such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December.

(2) A retailer soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State.

(3) A retailer, pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions.

(4) A retailer soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities.

(5) A retailer that is owned or controlled by the same interests that own or control any retailer engaging in business in the same or similar line of business in this State.

(6) A retailer having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section.

(7) A retailer, pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State.

(8) A retailer engaging in activities in Illinois, which activities in the state in which the retail business engaging in such activities is located would constitute maintaining a place of business in that state.

(9) Beginning October 1, 2018, a retailer making sales of tangible personal property to purchasers in Illinois from outside of Illinois if:

(A) the cumulative gross receipts from sales of tangible personal property to

purchasers in Illinois are \$100,000 or more; or

(B) the retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

The retailer shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the retailer meets the criteria of either subparagraph (A) or (B) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the retailer shall determine whether the retailer met the criteria of either subparagraph (A) or (B) during the preceding 12-month period. If the retailer met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a retailer that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either subparagraph (A) or (B) during the preceding 12-month period, the retailer shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

Beginning January 1, 2020, neither the gross receipts from nor the number of separate transactions for sales of tangible personal property to purchasers in Illinois that a retailer makes through a marketplace facilitator and for which the retailer has received a certification from the marketplace facilitator pursuant to Section 2d of this Act shall be included for purposes of determining whether he or she has met the thresholds of this paragraph (9).

(10) Beginning January 1, 2020, a marketplace facilitator, as defined in Section 2d of this Act.

"Bulk vending machine" means a vending machine, containing unsorted confections, nuts, toys, or other items designed primarily to be used or played with by children which, when a coin or coins of a denomination not larger than \$0.50 are inserted, are dispensed in equal portions, at random and without selection by the customer.

(Source: P.A. 99-78, eff. 7-20-15; 100-587, eff. 6-4-18.)

(35 ILCS 105/2d new)

Sec. 2d. Marketplace facilitators and marketplace sellers.

(a) As used in this Section:

"Affiliate" means a person that, with respect to another person: (i) has a direct or indirect ownership interest of more than 5 percent in the other person; or (ii) is related to the other person because a third person, or a group of third persons who are affiliated with each other as defined in this subsection, holds a direct or indirect ownership interest of more than 5% in the related person.

"Marketplace" means a physical or electronic place, forum, platform, application, or other method by which a marketplace seller sells or offers to sell items.

"Marketplace facilitator" means a person who, pursuant to an agreement with a marketplace seller, facilitates sales of tangible personal property by that marketplace seller. A person facilitates a sale of tangible personal property by, directly or indirectly through one or more affiliates, doing both of the following: (i) listing or otherwise making available for sale the tangible personal property of the marketplace seller through a marketplace owned or operated by the marketplace facilitator; and (ii) processing sales or payments for marketplace sellers.

"Marketplace seller" means a person that sells or offers to sell tangible personal property through a marketplace.

(b) Beginning on January 1, 2020, a marketplace facilitator who meets either of the following criteria is considered the retailer of each sale of tangible personal property made on the marketplace:

(1) the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois by the marketplace facilitator and by marketplace sellers are \$100,000 or more; or

(2) the marketplace facilitator and marketplace sellers cumulatively enter into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

A marketplace facilitator shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) of this subsection (b) for the preceding 12-month period. If the marketplace facilitator meets the criteria of either paragraph (1) or (2) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the marketplace facilitator shall determine whether the marketplace facilitator met the criteria of either paragraph (1) or (2) during the preceding 12-month period.

If the marketplace facilitator met the criteria in either paragraph (1) or (2) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a marketplace facilitator that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either paragraph (1) or (2) during the preceding 12-month period, the marketplace facilitator shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) for the preceding 12-month period.

(c) A marketplace facilitator that meets either of the thresholds in subsection (b) of this Section is considered the retailer of each sale made through its marketplace and is liable for collecting and remitting the tax under this Act on all such sales. The marketplace facilitator has all the rights and duties, and is required to comply with the same requirements and procedures, as all other retailers maintaining a place of business in this State who are registered or who are required to be registered to collect and remit the tax imposed by this Act.

(d) A marketplace facilitator shall:

(1) certify to each marketplace seller that the marketplace facilitator assumes the rights and duties of a retailer under this Act with respect to sales made by the marketplace seller through the marketplace; and

(2) collect taxes imposed by this Act as required by Section 3-45 of this Act for sales made through the marketplace.

(e) A marketplace seller shall retain books and records for all sales made through a marketplace in accordance with the requirements of Section 11.

(f) A marketplace seller shall furnish to the marketplace facilitator information that is necessary for the marketplace facilitator to correctly collect and remit taxes for a retail sale. The information may include a certification that an item being sold is taxable, not taxable, exempt from taxation, or taxable at a specified rate. A marketplace seller shall be held harmless for liability for the tax imposed under this Act when a marketplace facilitator fails to correctly collect and remit tax after having been provided with information by a marketplace seller to correctly collect and remit taxes imposed under this Act.

(g) Except as provided in subsection (h), if the marketplace facilitator demonstrates to the satisfaction of the Department that its failure to correctly collect and remit tax on a retail sale resulted from the marketplace facilitator's good faith reliance on incorrect or insufficient information provided by a marketplace seller, it shall be relieved of liability for the tax on that retail sale. In this case, a marketplace seller is liable for any resulting tax due.

(h) A marketplace facilitator and marketplace seller that are affiliates, as defined by subsection (a), are jointly and severally liable for tax liability resulting from a sale made by the affiliated marketplace seller through the marketplace.

(i) This Section does not affect the tax liability of a purchaser under this Act.

(j) The Department may adopt rules for the administration and enforcement of the provisions of this Section.

Section 10-15. The Service Use Tax Act is amended by changing Section 2 and by adding Section 2d as follows:

(35 ILCS 110/2) (from Ch. 120, par. 439.32)

Sec. 2. Definitions. In this Act:

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, but does not include the sale or use for demonstration by him of that property in any form as tangible personal property in the regular course of business. "Use" does not mean the interim use of tangible personal property nor the physical incorporation of tangible personal property, as an ingredient or constituent, into other tangible personal property, (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois.

"Purchased from a serviceman" means the acquisition of the ownership of, or title to, tangible personal property through a sale of service.

"Purchaser" means any person who, through a sale of service, acquires the ownership of, or title to, any tangible personal property.

"Cost price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service,

[June 2, 2019]

it shall be presumed that the cost price to the serviceman of the property transferred to him or her by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits and service, and shall be determined without any deduction on account of the serviceman's cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act.

"Department" means the Department of Revenue.

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

"Sale of service" means any transaction except:

(1) a retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(2) a sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(3) except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body, or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes.

(4) (blank).

(4a) a sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors, or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by interstate carriers for hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(4a-5) on and after July 1, 2003 and through June 30, 2004, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(5) a sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Use Tax or Service Occupation Tax, rather than Use Tax or Retailers' Occupation Tax. The exemption provided by this paragraph (5) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. The exemption under this paragraph (5) is exempt from the provisions of Section 3-75.

(5a) the repairing, reconditioning or remodeling, for a common carrier by rail, of tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and which such carrier transports, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property to a destination outside Illinois, for use outside Illinois.

(5b) a sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(6) until July 1, 2003, a sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of such user and not subject to sale or resale.

(7) at the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (5) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. On and after July 1, 2017, exemption (5) also includes graphic arts machinery and equipment, as defined in paragraph (5) of Section 3-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of exemption (5), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further, for purposes of exemption (5), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design,

computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The user of such machinery and equipment and tools without an active resale registration number shall prepare a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, which certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (5) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (3) of this Section shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of service or of tangible personal property within the meaning of this Act.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

"Serviceman maintaining a place of business in this State", or any like term, means and includes any serviceman:

(1) having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the serviceman or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such serviceman or subsidiary is licensed to do business in this State;

(1.1) having a contract with a person located in this State under which the person, for a commission or other consideration based on the sale of service by the serviceman, directly or indirectly refers potential customers to the serviceman by providing to the potential customers a promotional code or other mechanism that allows the serviceman to track purchases referred by such persons. Examples of mechanisms that allow the serviceman to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of service by the serviceman to customers who are referred to the serviceman by all persons in this State under such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December; a serviceman meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods;

(1.2) beginning July 1, 2011, having a contract with a person located in this State under which:

(A) the serviceman sells the same or substantially similar line of services as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and

(B) the serviceman provides a commission or other consideration to the person located in this State based upon the sale of services by the serviceman.

The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts

from sales of service by the serviceman to customers in this State under all such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December;

(2) soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State;

(3) pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions;

(4) soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities;

(5) being owned or controlled by the same interests which own or control any retailer engaging in business in the same or similar line of business in this State;

(6) having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section;

(7) pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State;

(8) engaging in activities in Illinois, which activities in the state in which the supply business engaging in such activities is located would constitute maintaining a place of business in that state; or

(9) beginning October 1, 2018, making sales of service to purchasers in Illinois from outside of Illinois if:

(A) the cumulative gross receipts from sales of service to purchasers in Illinois are \$100,000 or more; or

(B) the serviceman enters into 200 or more separate transactions for sales of service to purchasers in Illinois.

The serviceman shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the serviceman meets the criteria of either subparagraph (A) or (B) for a 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the serviceman shall determine whether the serviceman met the criteria of either subparagraph (A) or (B) during the preceding 12-month period. If the serviceman met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a serviceman that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either subparagraph (A) or (B) during the preceding 12-month period, the serviceman subsequently shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

Beginning January 1, 2020, neither the gross receipts from nor the number of separate transactions for sales of service to purchasers in Illinois that a serviceman makes through a marketplace facilitator and for which the serviceman has received a certification from the marketplace facilitator pursuant to Section 2d of this Act shall be included for purposes of determining whether he or she has met the thresholds of this paragraph (9).

(10) Beginning January 1, 2020, a marketplace facilitator, as defined in Section 2d of this Act. (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18.) (35 ILCS 110/2d new)

Sec. 2d. Marketplace facilitators and marketplace servicemen.

(a) Definitions. For purposes of this Section:

"Affiliate" means a person that, with respect to another person: (i) has a direct or indirect ownership interest of more than 5% in the other person; or (ii) is related to the other person because a third person, or group of third persons who are affiliated with each other as defined in this subsection, holds a direct or indirect ownership interest of more than 5% in the related person.

"Marketplace" means a physical or electronic place, forum, platform, application or other method by which a marketplace serviceman makes or offers to make sales of service.

"Marketplace facilitator" means a person who, pursuant to an agreement with a marketplace serviceman, facilitates sales of service by that marketplace serviceman. A person facilitates a sale of service by, directly or indirectly through one or more affiliates, doing both of the following: (i) listing or otherwise making available a sale of service of the marketplace serviceman through a marketplace owned or operated by the marketplace facilitator; and (ii) processing sales of service for, or payments for sales of service by, marketplace servicemen.

"Marketplace serviceman" means a person that makes or offers to make a sale of service through a marketplace.

(b) Beginning January 1, 2020, a marketplace facilitator who meets either of the following criteria is considered the serviceman for each sale of service made on the marketplace:

(1) the cumulative gross receipts from sales of service to purchasers in Illinois by the marketplace facilitator and by marketplace servicemen are \$100,000 or more; or

(2) the marketplace facilitator and marketplace servicemen cumulatively enter into 200 or more separate transactions for the sale of service to purchasers in Illinois.

A marketplace facilitator shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) of this subsection (b) for the preceding 12-month period. If the marketplace facilitator meets the criteria of either paragraph (1) or (2) for a 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the marketplace facilitator shall determine whether the marketplace facilitator met the criteria of either paragraph (1) or (2) during the preceding 12-month period. If the marketplace facilitator met the criteria in either paragraph (1) or (2) for the preceding 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If, at the end of a one-year period, a marketplace facilitator that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either paragraph (1) or (2) during the preceding 12-month period, the marketplace facilitator shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) for the preceding 12-month period.

(c) A marketplace facilitator that meets either of the thresholds in subsection (b) of this Section is considered the serviceman for each sale of service made through its marketplace and is liable for collecting and remitting the tax under this Act on all such sales. The marketplace facilitator has all the rights and duties, and is required to comply with the same requirements and procedures, as all other servicemen maintaining a place of business in this State who are registered or who are required to be registered to collect and remit the tax imposed by this Act.

(d) A marketplace facilitator shall:

(1) certify to each marketplace serviceman that the marketplace facilitator assumes the rights and duties of a serviceman under this Act with respect to sales of service made by the marketplace serviceman through the marketplace; and

(2) collect taxes imposed by this Act as required by Section 3-40 of this Act for sales of service made through the marketplace.

(e) A marketplace serviceman shall retain books and records for all sales of service made through a marketplace in accordance with the requirements of Section 11.

(f) A marketplace serviceman shall furnish to the marketplace facilitator information that is necessary for the marketplace facilitator to correctly collect and remit taxes for a sale of service. The information may include a certification that an item transferred incident to a sale of service under this Act is taxable, not taxable, exempt from taxation, or taxable at a specified rate. A marketplace serviceman shall be held harmless for liability for the tax imposed under this Act when a marketplace facilitator fails to correctly collect and remit tax after having been provided with information by a marketplace serviceman to correctly collect and remit taxes imposed under this Act.

(g) Except as provided in subsection (h), if the marketplace facilitator demonstrates to the satisfaction of the Department that its failure to correctly collect and remit tax on a sale of service resulted from the marketplace facilitator's good faith reliance on incorrect or insufficient information provided by a marketplace serviceman, it shall be relieved of liability for the tax on that sale of service. In this case, a marketplace serviceman is liable for any resulting tax due.

(h) A marketplace facilitator and marketplace serviceman that are affiliates, as defined by subsection (a), are jointly and severally liable for tax liability resulting from a sale of service made by the affiliated marketplace serviceman through the marketplace.

(i) This Section does not affect the tax liability of a purchaser under this Act.

(j) The Department may adopt rules for the administration and enforcement of the provisions of this Section.

Section 10-35. The Tax Delinquency Amnesty Act is amended by changing Section 10 as follows:
(35 ILCS 745/10)

Sec. 10. Amnesty program. The Department shall establish an amnesty program for all taxpayers owing any tax imposed by reason of or pursuant to authorization by any law of the State of Illinois and collected by the Department.

The amnesty program shall be for a period from October 1, 2003 through November 15, 2003 and for a period beginning on October 1, 2010 and ending November 8, 2010 and for a period beginning on October 1, 2019 and ending on November 15, 2019.

The amnesty program shall provide that, upon payment by a taxpayer of all taxes due from that taxpayer to the State of Illinois for any taxable period ending (i) after June 30, 1983 and prior to July 1, 2002 for the tax amnesty period occurring from October 1, 2003 through November 15, 2003, ~~and~~ (ii) after June 30, 2002 and prior to July 1, 2009 for the tax amnesty period beginning on October 1, 2010 through November 8, 2010, and (iii) after June 30, 2011 and prior to July 1, 2018 for the tax amnesty period beginning on October 1, 2019 through November 15, 2019, the Department shall abate and not seek to collect any interest or penalties that may be applicable and the Department shall not seek civil or criminal prosecution for any taxpayer for the period of time for which amnesty has been granted to the taxpayer. Failure to pay all taxes due to the State for a taxable period shall invalidate any amnesty granted under this Act. Amnesty shall be granted only if all amnesty conditions are satisfied by the taxpayer.

Amnesty shall not be granted to taxpayers who are a party to any criminal investigation or to any civil or criminal litigation that is pending in any circuit court or appellate court or the Supreme Court of this State for nonpayment, delinquency, or fraud in relation to any State tax imposed by any law of the State of Illinois.

Participation in an amnesty program shall not preclude a taxpayer from claiming a refund for an overpayment of tax on an issue unrelated to the issues for which the taxpayer claimed amnesty or for an overpayment of tax by taxpayers estimating a non-final liability for the amnesty program pursuant to Section 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)).

Voluntary payments made under this Act shall be made by cash, check, guaranteed remittance, or ACH debit.

The Department shall adopt rules as necessary to implement the provisions of this Act.

Except as otherwise provided in this Section, all money collected under this Act that would otherwise be deposited into the General Revenue Fund shall be deposited as follows: (i) one-half into the Common School Fund; (ii) one-half into the General Revenue Fund. Two percent of all money collected under this Act shall be deposited by the State Treasurer into the Tax Compliance and Administration Fund and, subject to appropriation, shall be used by the Department to cover costs associated with the administration of this Act.

(Source: P.A. 96-1435, eff. 8-16-10.)

Section 10-40. The Health Maintenance Organization Act is amended by changing Section 5-5 and by adding Section 5-10 as follows:

(215 ILCS 125/5-5) (from Ch. 111 1/2, par. 1413)

Sec. 5-5. Suspension, revocation or denial of certification of authority. The Director may suspend or revoke any certificate of authority issued to a health maintenance organization under this Act or deny an application for a certificate of authority if he finds any of the following:

(a) The health maintenance organization is operating significantly in contravention of its basic organizational document, its health care plan, or in a manner contrary to that described in any information submitted under Section 2-1 or 4-12.

(b) The health maintenance organization issues contracts or evidences of coverage or uses a schedule of charges for health care services that do not comply with the requirement of Section 2-1 or 4-12.

(c) The health care plan does not provide or arrange for basic health care services, except as provided in Section 4-13 concerning mental health services for clients of the Department of Children and Family Services.

(d) The Director of Public Health certifies to the Director that (1) the health maintenance organization does not meet the requirements of Section 2-2 or (2) the health maintenance organization is unable to fulfill its obligations to furnish health care services as required under its health care plan. The Department of Public Health shall promulgate by rule, pursuant to the Illinois Administrative Procedure Act, the precise standards used for determining what constitutes a material misrepresentation, what constitutes a material violation of a contract or evidence of coverage, or what constitutes good faith with regard to certification under this paragraph.

(e) The health maintenance organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees.

(f) The health maintenance organization, or any person on its behalf, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner.

(g) The continued operation of the health maintenance organization would be hazardous to its enrollees.

(h) The health maintenance organization has neglected to correct, within the time prescribed by subsection (c) of Section 2-4, any deficiency occurring due to the organization's prescribed minimum net worth or special contingent reserve being impaired.

(i) The health maintenance organization has otherwise failed to substantially comply with this Act.

(j) The health maintenance organization has failed to meet the requirements for issuance of a certificate of authority set forth in Section 2-2.

When the certificate of authority of a health maintenance organization is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization. The Director may permit further operation of the organization that he finds to be in the best interest of enrollees to the end that the enrollees will be afforded the greatest practical opportunity to obtain health care services.

(k) The health maintenance organization has failed to pay any assessment due under Article V-H of the Public Aid Code for 60 days following the due date of the payment (as extended by any grace period granted).

(Source: P.A. 88-487.)

(215 ILCS 125/5-10 new)

Sec. 5-10. Managed care organizations; revenue data.

(a) No managed care organization shall pass the cost of the assessment imposed pursuant to Article V-H of the Public Aid Code on to consumers as a discrete addition to their premiums.

(b) The Department shall provide the Department of Healthcare and Family Services with member months and premium revenue data needed for implementing the assessment imposed under Article V-H of the Public Aid Code.

Section 10-45. The Illinois Public Aid Code is amended by adding the Article V-H as follows:

(305 ILCS 5/Art. V-H heading new)

ARTICLE V-H. MANAGED CARE ORGANIZATION PROVIDER ASSESSMENT.

(305 ILCS 5/5H-1 new)

Sec. 5H-1. Definitions. As used in this Article:

"Base year" means the 12-month period from January 1, 2018 to December 31, 2018.

"Department" means the Department of Healthcare and Family Services.

"Federal employee health benefit" means the program of health benefits plans, as defined in 5 U.S.C. 8901, available to federal employees under 5 U.S.C. 8901 to 8914.

"Fund" means the Healthcare Provider Relief Fund.

"Managed care organization" means an entity operating under a certificate of authority issued pursuant to the Health Maintenance Organization Act or as a Managed Care Community Network pursuant to Section 5-11 of the Public Aid Code.

"Medicaid managed care organization" means a managed care organization under contract with the Department to provide services to recipients of benefits in the medical assistance program pursuant to Article V of the Public Aid Code, the Children's Health Insurance Program Act, or the Covering ALL KIDS Health Insurance Act. It does not include contracts the same entity or an affiliated entity has for other business.

"Medicare" means the federal Medicare program established under Title XVIII of the federal Social Security Act.

"Member months" means the aggregate total number of months all individuals are enrolled for coverage in a Managed Care Organization during the base year. Member months are determined by the Department

for Medicaid Managed Care Organizations based on enrollment data in its Medicaid Management Information System and by the Department of Insurance for other Managed Care Organizations based on required filings with the Department of Insurance. Member months do not include months individuals are enrolled in a Limited Health Services Organization, including stand-alone dental or vision plans, a Medicare Advantage Plan, a Medicare Supplement Plan, a Medicaid Medicare Alignment Initiate Plan pursuant to a Memorandum of Understanding between the Department and the Federal Centers for Medicare and Medicaid Services or a Federal Employee Health Benefits Plan.

(305 ILCS 5/5H-2 new)

Sec. 5H-2. Federal waivers. The Department shall request a waiver from the federal Centers for Medicare and Medicaid Services of the broad-based and uniformity provisions of Section 1903(w)(3)(B) and (C) of Title XIX of the Social Security Act, 42 U.S.C. 1396b, relating to the assessment imposed under this Article. The assessment required pursuant to Section 5H-3 shall not be due and payable until such waiver has been approved and all other federal requirements necessary to obtain federal financial participation have been approved by the Centers for Medicare and Medicaid Services.

(305 ILCS 5/5H-3 new)

Sec. 5H-3. Managed care assessment.

(a) For State Fiscal year 2020 through State Fiscal Year 2025, there is imposed upon managed care organization member months an assessment, calculated on base year data, as set forth below for the appropriate tier:

(1) Tier 1: \$60.20 per member month.

(2) Tier 2: \$1.20 per member month.

(3) Tier 3: \$2.40 per member month.

(b) The tiers are established as follows:

(i) Tier 1 includes the first 4,195,000 member months in a Medicaid managed care organization for the base year;

(ii) Tier 2 includes member months over 4,195,000 in a Medicaid managed care organization during the base year; and

(iv) Tier 3 includes member months during the base year in a managed care organization that is not a Medicaid managed care organization.

(c) For State fiscal year 2020 through State fiscal year 2025, the Department may by rule adjust rates or tier parameters or both in order to maximize the revenue generated by the assessment consistent with federal regulations and to meet federal statistical tests necessary for federal financial participation. Any upward adjustment to the Tier 3 rate shall be the minimum necessary to meet federal statistical tests.

(305 ILCS 5/5H-4 new)

Sec. 5H-4. Payment of assessment.

(a) The assessment payable pursuant to Section 5H-3 shall be due and payable in monthly installments, each equaling one-twelfth of the assessment for the year, on the first State business day of each month.

(b) If the approval of the waivers required under Section 5H-2 is delayed beyond the start of State fiscal year 2020, then the first installment shall be due on the first business day of the first month that begins more than 15 days after the date of such approval. In the event approval results in installments beginning after July 1, 2019, the amount of each installment for that fiscal year shall equal the full amount of the annual assessment divided by the number of payments that will be paid in fiscal year 2020.

(c) The Department shall notify each managed care organization of its annual fiscal year 2020 assessment and the installment due dates no later than 30 days prior to the first installment due date and the annual assessment and due dates for each subsequent year at least 30 days prior to the start of each fiscal year.

(d) Proceeds from the assessment levied pursuant to Section 5H-3 shall be deposited into the Fund.

(305 ILCS 5/5H-5 new)

Sec. 5H-5. Liability or resultant entities. In the event of a merger, acquisition, or any similar transaction involving entities subject to the assessment under this Article, the resultant entity shall be responsible for the full amount of the assessment for all entities involved in the transaction with the member months allotted to tiers as they were prior to the transaction and no member months shall change tiers as a result of any transaction. A managed care organization that ceases doing business in the State during any fiscal year shall be liable only for the monthly installments due in months that they operated in the State. The Department shall by rule establish a methodology to set the assessment base member months for a managed care organization that begins operating in the State at any time after 2018. Nothing in this Section shall be construed to limit authority granted in subsection (c) of Section 5H-3.

(305 ILCS 5/5H-6 new)

Sec. 5H-6. Recordkeeping; penalties.

(a) A managed care organization that is liable for the assessment under this Article shall keep accurate and complete records and pertinent documents as may be required by the Department. Records required by the Department shall be retained for a period of 4 years after the assessment imposed under this Act to which the records apply is due or as otherwise provided by law. The Department or the Department of Insurance may audit all records necessary to ensure compliance with this Article and make adjustments to assessment amounts previously calculated based on the results of any such audit.

(b) If a managed care organization fails to make a payment due under this Article in a timely fashion, they shall pay an additional penalty of 5% of the amount of the installment not paid on or before the due date, or any grace period granted, plus 5% of the portion thereof remaining unpaid on the last day of each 30-day period thereafter. The Department is authorized to grant grace periods of up to 30 days upon request of a managed care organization for good cause due to financial or other difficulties, as determined by the Department. If a managed care organization fails to make a payment within 60 days after the due date the Department shall additionally impose a contractual sanction allowed against a Medicaid managed care organization and may terminate any such contract. The Department of Insurance shall take action against the certificate of authority of a non-Medicaid managed care organization that fails to pay an installment within 60 days after the due date.

(305 ILCS 5/5H-7 new)

Sec. 5H-7. Rulemaking. The Department may by rule modify or make adjustments to any methodology, assessment amount, assessment tier, or other similar provision specified in this Article, including broadening the tax base in subsection (a) of Section 5H-3, to the extent necessary to meet the requirements of federal law or regulations, obtain federal approval, or to ensure federal financial participation is available. However, upward adjustments to Tier 3 rates shall be the minimum necessary to meet federal statistical tests to receive federal financial participation. The Department shall adopt rules to implement this Article under the Illinois Administrative Procedure Act.

(305 ILCS 5/5H-8 new)

Sec. 5H-8. Duties of the Department.

(a) The Department shall ensure that rates to Medicaid managed care organizations are actuarially sound including appropriate incorporation of assessments under this Article, other taxes and administrative expenses, including standardization of processes, and cost of medical care.

(b) The Department shall pay to each Medicaid managed care organization the amount required to be included in its rates due to the assessment under this Article in order to ensure actuarial soundness within 10 business days of receipt of each assessment payment from the Medicaid managed care organization. The Department shall extend the deadline for any assessment payment due after the initial assessment payment if the payment to the managed care organizations under this subsection for the previous assessment payment has not been paid. Such extension shall extend until 7 business days after receipt by the managed care organization of the late payment under this subsection.

(c) Reimbursement of assessments paid under this Article shall not be required to count as revenue towards any calculation of the managed care organization's medical loss ratio, net worth, risk based capital or other deposit requirements as may otherwise be required under the Insurance Code. Such reimbursements will be considered revenue in calculating the 6% limit under 42 U.S.C. 433.68(f)(3).

(d) The Department shall include in its annual report, beginning with its fiscal year 2020 report, and every year thereafter, information on the revenues collected from this assessment, the federal funds drawn based on those revenues, the rates set in Section 5H-3 or any alterations thereof by administrative rule, and other impacts this gross revenue has had on the Medicaid program.

Section 10-50. The Franchise Tax and License Fee Amnesty Act of 2007 is amended by changing Section 5-10 as follows:

(805 ILCS 8/5-10)

Sec. 5-10. Amnesty program. The Secretary shall establish an amnesty program for all taxpayers owing any franchise tax or license fee imposed by Article XV of the Business Corporation Act of 1983. The amnesty program shall be for a period from February 1, 2008 through March 15, 2008. The amnesty program shall also be for a period between October 1, 2019 and November 15, 2019, and shall apply to franchise tax or license fee liabilities for any tax period ending after March 15, 2008 and on or before June 30, 2019. The amnesty program shall provide that, upon payment by a taxpayer of all franchise taxes and license fees due from that taxpayer to the State of Illinois for any taxable period, the Secretary shall abate and not seek to collect any interest or penalties that may be applicable, and the Secretary shall not seek civil or criminal prosecution for any taxpayer for the period of time for which amnesty has been granted to the taxpayer. Failure to pay all taxes due to the State for a taxable period shall not invalidate any amnesty granted under this Act with respect to the taxes paid pursuant to the amnesty program. Amnesty shall be

granted only if all amnesty conditions are satisfied by the taxpayer. Amnesty shall not be granted to taxpayers who are a party to any criminal investigation or to any civil or criminal litigation that is pending in any circuit court or appellate court or the Supreme Court of this State for nonpayment, delinquency, or fraud in relation to any franchise tax or license fee imposed by Article XV of the Business Corporation Act of 1983. Voluntary payments made under this Act shall be made by check, guaranteed remittance, or ACH debit. The Secretary shall adopt rules as necessary to implement the provisions of this Act. Except as otherwise provided in this Section, all money collected under this Act that would otherwise be deposited into the General Revenue Fund shall be deposited into the General Revenue Fund. Two percent of all money collected under this Act shall be deposited by the State Treasurer into the Franchise Tax and License Fee Amnesty Administration Fund and, subject to appropriation, shall be used by the Secretary to cover costs associated with the administration of this Act.
(Source: P.A. 95-233, eff. 8-16-07; 95-707, eff. 1-11-08.)

ARTICLE 20. BLUE COLLAR JOBS ACT

Section 20-1. This Act may be referred to as the Blue Collar Jobs Act.

Section 20-5. The Illinois Enterprise Zone Act is amended by changing Section 5.5 and by adding Section 13 as follows:

(20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

Sec. 5.5. High Impact Business.

(a) In order to respond to unique opportunities to assist in the encouragement, development, growth and expansion of the private sector through large scale investment and development projects, the Department is authorized to receive and approve applications for the designation of "High Impact Businesses" in Illinois subject to the following conditions:

(1) such applications may be submitted at any time during the year;

(2) such business is not located, at the time of designation, in an enterprise zone designated pursuant to this Act;

(3) the business intends to do one or more of the following:

(A) the business intends to make a minimum investment of \$12,000,000 which will be placed in service in qualified property and intends to create 500 full-time equivalent jobs at a designated location in Illinois or intends to make a minimum investment of \$30,000,000 which will be placed in service in qualified property and intends to retain 1,500 full-time retained jobs at a designated location in Illinois. The business must certify in writing that the investments would not be placed in service in qualified property and the job creation or job retention would not occur without the tax credits and exemptions set forth in subsection (b) of this Section. The terms "placed in service" and "qualified property" have the same meanings as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(B) the business intends to establish a new electric generating facility at a designated location in Illinois. "New electric generating facility", for purposes of this Section, means a newly-constructed electric generation plant or a newly-constructed generation capacity expansion at an existing electric generation plant, including the transmission lines and associated equipment that transfers electricity from points of supply to points of delivery, and for which such new foundation construction commenced not sooner than July 1, 2001. Such facility shall be designed to provide baseload electric generation and shall operate on a continuous basis throughout the year; and (i) shall have an aggregate rated generating capacity of at least 1,000 megawatts for all new units at one site if it uses natural gas as its primary fuel and foundation construction of the facility is commenced on or before December 31, 2004, or shall have an aggregate rated generating capacity of at least 400 megawatts for all new units at one site if it uses coal or gases derived from coal as its primary fuel and shall support the creation of at least 150 new Illinois coal mining jobs, or (ii) shall be funded through a federal Department of Energy grant before December 31, 2010 and shall support the creation of Illinois coal-mining jobs, or (iii) shall use coal gasification or integrated gasification-combined cycle units that generate electricity or chemicals, or both, and shall support the creation of Illinois coal-mining jobs. The business must certify in writing that the investments necessary to establish a new electric generating facility would not be placed in service and the job creation in the case of a coal-fueled plant would not occur without the tax credits and exemptions set forth in subsection (b-5) of this Section. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(B-5) the business intends to establish a new gasification facility at a designated

location in Illinois. As used in this Section, "new gasification facility" means a newly constructed coal gasification facility that generates chemical feedstocks or transportation fuels derived from coal (which may include, but are not limited to, methane, methanol, and nitrogen fertilizer), that supports the creation or retention of Illinois coal-mining jobs, and that qualifies for financial assistance from the Department before December 31, 2010. A new gasification facility does not include a pilot project located within Jefferson County or within a county adjacent to Jefferson County for synthetic natural gas from coal; or

(C) the business intends to establish production operations at a new coal mine, re-establish production operations at a closed coal mine, or expand production at an existing coal mine at a designated location in Illinois not sooner than July 1, 2001; provided that the production operations result in the creation of 150 new Illinois coal mining jobs as described in subdivision (a)(3)(B) of this Section, and further provided that the coal extracted from such mine is utilized as the predominant source for a new electric generating facility. The business must certify in writing that the investments necessary to establish a new, expanded, or reopened coal mine would not be placed in service and the job creation would not occur without the tax credits and exemptions set forth in subsection (b-5) of this Section. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(D) the business intends to construct new transmission facilities or upgrade existing transmission facilities at designated locations in Illinois, for which construction commenced not sooner than July 1, 2001. For the purposes of this Section, "transmission facilities" means transmission lines with a voltage rating of 115 kilovolts or above, including associated equipment, that transfer electricity from points of supply to points of delivery and that transmit a majority of the electricity generated by a new electric generating facility designated as a High Impact Business in accordance with this Section. The business must certify in writing that the investments necessary to construct new transmission facilities or upgrade existing transmission facilities would not be placed in service without the tax credits and exemptions set forth in subsection (b-5) of this Section. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(E) the business intends to establish a new wind power facility at a designated location in Illinois. For purposes of this Section, "new wind power facility" means a newly constructed electric generation facility, or a newly constructed expansion of an existing electric generation facility, placed in service on or after July 1, 2009, that generates electricity using wind energy devices, and such facility shall be deemed to include all associated transmission lines, substations, and other equipment related to the generation of electricity from wind energy devices. For purposes of this Section, "wind energy device" means any device, with a nameplate capacity of at least 0.5 megawatts, that is used in the process of converting kinetic energy from the wind to generate electricity; or

(F) the business commits to (i) make a minimum investment of \$500,000,000, which will be placed in service in a qualified property, (ii) create 125 full-time equivalent jobs at a designated location in Illinois, (iii) establish a fertilizer plant at a designated location in Illinois that complies with the set-back standards as described in Table 1: Initial Isolation and Protective Action Distances in the 2012 Emergency Response Guidebook published by the United States Department of Transportation, (iv) pay a prevailing wage for employees at that location who are engaged in construction activities, and (v) secure an appropriate level of general liability insurance to protect against catastrophic failure of the fertilizer plant or any of its constituent systems; in addition, the business must agree to enter into a construction project labor agreement including provisions establishing wages, benefits, and other compensation for employees performing work under the project labor agreement at that location; for the purposes of this Section, "fertilizer plant" means a newly constructed or upgraded plant utilizing gas used in the production of anhydrous ammonia and downstream nitrogen fertilizer products for resale; for the purposes of this Section, "prevailing wage" means the hourly cash wages plus fringe benefits for training and apprenticeship programs approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training, health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character on public works; this paragraph (F) applies only to businesses that submit an application to the Department within 60 days after the effective date of this amendatory Act of the 98th General Assembly; and

(4) no later than 90 days after an application is submitted, the Department shall notify the applicant of the Department's determination of the qualification of the proposed High Impact Business under this Section.

(b) Businesses designated as High Impact Businesses pursuant to subdivision (a)(3)(A) of this Section shall qualify for the credits and exemptions described in the following Acts: Section 9-222 and Section 9-222.1A of the Public Utilities Act, subsection (h) of Section 201 of the Illinois Income Tax Act, and Section 1d of the Retailers' Occupation Tax Act; provided that these credits and exemptions described in these Acts shall not be authorized until the minimum investments set forth in subdivision (a)(3)(A) of this Section have been placed in service in qualified properties and, in the case of the exemptions described in the Public Utilities Act and Section 1d of the Retailers' Occupation Tax Act, the minimum full-time equivalent jobs or full-time retained jobs set forth in subdivision (a)(3)(A) of this Section have been created or retained. Businesses designated as High Impact Businesses under this Section shall also qualify for the exemption described in Section 51 of the Retailers' Occupation Tax Act. The credit provided in subsection (h) of Section 201 of the Illinois Income Tax Act shall be applicable to investments in qualified property as set forth in subdivision (a)(3)(A) of this Section.

(b-5) Businesses designated as High Impact Businesses pursuant to subdivisions (a)(3)(B), (a)(3)(B-5), (a)(3)(C), and (a)(3)(D) of this Section shall qualify for the credits and exemptions described in the following Acts: Section 51 of the Retailers' Occupation Tax Act, Section 9-222 and Section 9-222.1A of the Public Utilities Act, and subsection (h) of Section 201 of the Illinois Income Tax Act; however, the credits and exemptions authorized under Section 9-222 and Section 9-222.1A of the Public Utilities Act, and subsection (h) of Section 201 of the Illinois Income Tax Act shall not be authorized until the new electric generating facility, the new gasification facility, the new transmission facility, or the new, expanded, or reopened coal mine is operational, except that a new electric generating facility whose primary fuel source is natural gas is eligible only for the exemption under Section 51 of the Retailers' Occupation Tax Act.

(b-6) Businesses designated as High Impact Businesses pursuant to subdivision (a)(3)(E) of this Section shall qualify for the exemptions described in Section 51 of the Retailers' Occupation Tax Act; any business so designated as a High Impact Business being, for purposes of this Section, a "Wind Energy Business".

(b-7) Beginning on January 1, 2021, businesses designated as High Impact Businesses by the Department shall qualify for the High Impact Business construction jobs credit under subsection (h-5) of Section 201 of the Illinois Income Tax Act if the business meets the criteria set forth in subsection (i) of this Section. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of this amendatory Act of the 101st General Assembly) shall not exceed \$20,000,000 in any State fiscal year.

(c) High Impact Businesses located in federally designated foreign trade zones or sub-zones are also eligible for additional credits, exemptions and deductions as described in the following Acts: Section 9-221 and Section 9-222.1 of the Public Utilities Act; and subsection (g) of Section 201, and Section 203 of the Illinois Income Tax Act.

(d) Except for businesses contemplated under subdivision (a)(3)(E) of this Section, existing Illinois businesses which apply for designation as a High Impact Business must provide the Department with the prospective plan for which 1,500 full-time retained jobs would be eliminated in the event that the business is not designated.

(e) Except for new wind power facilities contemplated under subdivision (a)(3)(E) of this Section, new proposed facilities which apply for designation as High Impact Business must provide the Department with proof of alternative non-Illinois sites which would receive the proposed investment and job creation in the event that the business is not designated as a High Impact Business.

(f) Except for businesses contemplated under subdivision (a)(3)(E) of this Section, in the event that a business is designated a High Impact Business and it is later determined after reasonable notice and an opportunity for a hearing as provided under the Illinois Administrative Procedure Act, that the business would have placed in service in qualified property the investments and created or retained the requisite number of jobs without the benefits of the High Impact Business designation, the Department shall be required to immediately revoke the designation and notify the Director of the Department of Revenue who shall begin proceedings to recover all wrongfully exempted State taxes with interest. The business shall also be ineligible for all State funded Department programs for a period of 10 years.

(g) The Department shall revoke a High Impact Business designation if the participating business fails to comply with the terms and conditions of the designation. However, the penalties for new wind power facilities or Wind Energy Businesses for failure to comply with any of the terms or conditions of the Illinois Prevailing Wage Act shall be only those penalties identified in the Illinois Prevailing Wage Act, and the Department shall not revoke a High Impact Business designation as a result of the failure to comply with any of the terms or conditions of the Illinois Prevailing Wage Act in relation to a new wind power facility or a Wind Energy Business.

(h) Prior to designating a business, the Department shall provide the members of the General Assembly and Commission on Government Forecasting and Accountability with a report setting forth the terms and

conditions of the designation and guarantees that have been received by the Department in relation to the proposed business being designated.

(i) High Impact Business construction jobs credit. Beginning on January 1, 2021, a High Impact Business may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount equal to 50% of the amount of the incremental income tax attributable to High Impact Business construction jobs credit employees employed in the course of completing a High Impact Business construction jobs project. However, the High Impact Business construction jobs credit may equal 75% of the amount of the incremental income tax attributable to High Impact Business construction jobs credit employees if the High Impact Business construction jobs credit project is located in an underserved area.

The Department shall certify to the Department of Revenue: (1) the identity of taxpayers that are eligible for the High Impact Business construction jobs credit; and (2) the amount of High Impact Business construction jobs credits that are claimed pursuant to subsection (h-5) of Section 201 of the Illinois Income Tax Act in each taxable year. Any business entity that receives a High Impact Business construction jobs credit shall maintain a certified payroll pursuant to subsection (j) of this Section.

As used in this subsection (i):

"High Impact Business construction jobs credit" means an amount equal to 50% (or 75% if the High Impact Business construction project is located in an underserved area) of the incremental income tax attributable to High Impact Business construction job employees. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of this amendatory Act of the 101st General Assembly) shall not exceed \$20,000,000 in any State fiscal year

"High Impact Business construction job employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a High Impact Business construction job project.

"High Impact Business construction jobs project" means building a structure or building or making improvements of any kind to real property, undertaken and commissioned by a business that was designated as a High Impact Business by the Department. The term "High Impact Business construction jobs project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of High Impact Business construction job employees.

"Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest federal decennial census;

(2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

(j) Each contractor and subcontractor who is engaged in and executing a High Impact Business Construction jobs project, as defined under subsection (i) of this Section, for a business that is entitled to a credit pursuant to subsection (i) of this Section shall:

(1) make and keep, for a period of 5 years from the date of the last payment made on or after the effective date of this amendatory Act of the 101st General Assembly on a contract or subcontract for a High Impact Business Construction Jobs Project, records for all laborers and other workers employed by the contractor or subcontractor on the project; the records shall include:

(A) the worker's name;

(B) the worker's address;

(C) the worker's telephone number, if available;

(D) the worker's social security number;

(E) the worker's classification or classifications;

(F) the worker's gross and net wages paid in each pay period;

(G) the worker's number of hours worked each day;

(H) the worker's starting and ending times of work each day;

(I) the worker's hourly wage rate; and

(J) the worker's hourly overtime wage rate;

(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the High Impact Business construction jobs project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the Department of Labor and the Department of Commerce and Economic Opportunity; a certified payroll must be filed for only those calendar months during which construction on a High Impact Business construction jobs project has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (j), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:

(A) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; and

(B) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.

A general contractor is not prohibited from relying on a certified payroll of a lower-tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification.

Any contractor or subcontractor subject to this subsection, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this subsection, who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor.

The taxpayer in charge of the project shall keep the records submitted in accordance with this subsection on or after the effective date of this amendatory Act of the 101st General Assembly for a period of 5 years from the date of the last payment for work on a contract or subcontract for the High Impact Business construction jobs project.

The records submitted in accordance with this subsection shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The Department of Labor shall accept any reasonable submissions by the contractor that meet the requirements of this subsection (j) and shall share the information with the Department in order to comply with the awarding of a High Impact Business construction jobs credit. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

(k) Upon 7 business days' notice, each contractor and subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in this subsection (j) to the taxpayer in charge of the High Impact Business construction jobs project, its officers and agents, the Director of the Department of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(Source: P.A. 97-905, eff. 8-7-12; 98-109, eff. 7-25-13.)

(20 ILCS 655/13 new)

Sec. 13. Enterprise Zone construction jobs credit.

(a) Beginning on January 1, 2021, a business entity in a certified Enterprise Zone that makes a capital investment of at least \$10,000,000 in an Enterprise Zone construction jobs project may receive an Enterprise Zone construction jobs credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount equal to 50% of the amount of the incremental income tax attributable to Enterprise Zone construction jobs credit employees employed in the course of completing an Enterprise Zone construction jobs project. However, the Enterprise Zone construction jobs credit may equal 75% of the amount of the incremental income tax attributable to Enterprise Zone construction jobs credit employees if the project is located in an underserved area.

(b) A business entity seeking a credit under this Section must submit an application to the Department and must receive approval from the designating municipality or county and the Department for the Enterprise Zone construction jobs credit project. The application must describe the nature and benefit of the project to the certified Enterprise Zone and its potential contributors. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of this amendatory Act of the 101st General Assembly) shall not exceed \$20,000,000 in any State fiscal year.

Within 45 days after receipt of an application, the Department shall give notice to the applicant as to whether the application has been approved or disapproved. If the Department disapproves the application, it shall specify the reasons for this decision and allow 60 days for the applicant to amend and resubmit its application. The Department shall provide assistance upon request to applicants. Resubmitted applications shall receive the Department's approval or disapproval within 30 days after the application is resubmitted.

Those resubmitted applications satisfying initial Department objectives shall be approved unless reasonable circumstances warrant disapproval.

On an annual basis, the designated zone organization shall furnish a statement to the Department on the programmatic and financial status of any approved project and an audited financial statement of the project.

The Department shall certify to the Department of Revenue the identity of taxpayers who are eligible for the credits and the amount of credits that are claimed pursuant to subparagraph (8) of subsection (f) of Section 201 the Illinois Income Tax Act.

The Enterprise Zone construction jobs credit project must be undertaken by the business entity in the course of completing a project that complies with the criteria contained in Section 4 of this Act and is undertaken in a certified Enterprise Zone. The Department shall adopt any necessary rules for the implementation of this subsection (b).

(c) Any business entity that receives an Enterprise Zone construction jobs credit shall maintain a certified payroll pursuant to subsection (d) of this Section.

(d) Each contractor and subcontractor who is engaged in and is executing an Enterprise Zone Construction jobs credit project for a business that is entitled to a credit pursuant to this Section shall:

(1) make and keep, for a period of 5 years from the date of the last payment made on or after the effective date of this amendatory Act of the 101st General Assembly on a contract or subcontract for an Enterprise Zone construction jobs credit project, records for all laborers and other workers employed by them on the project; the records shall include:

- (A) the worker's name;
- (B) the worker's address;
- (C) the worker's telephone number, if available;
- (D) the worker's social security number;
- (E) the worker's classification or classifications;
- (F) the worker's gross and net wages paid in each pay period;
- (G) the worker's number of hours worked each day;
- (H) the worker's starting and ending times of work each day;
- (I) the worker's hourly wage rate; and
- (J) the worker's hourly overtime wage rate;

(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the Department of Labor and the Department of Commerce and Economic Opportunity; a certified payroll must be filed for only those calendar months during which construction on an Enterprise Zone construction jobs project has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (d), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:

(A) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; and

(B) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.

A general contractor is not prohibited from relying on a certified payroll of a lower-tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification.

Any contractor or subcontractor subject to this subsection, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this subsection, who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor.

The taxpayer in charge of the project shall keep the records submitted in accordance with this subsection on or after the effective date of this amendatory Act of the 101st General Assembly for a period of 5 years from the date of the last payment for work on a contract or subcontract for the project.

The records submitted in accordance with this subsection shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The Department of Labor shall accept any reasonable submissions by the contractor that meet the requirements of this subsection and shall share the information with the Department in order to comply with the awarding of Enterprise Zone construction jobs credits. A

contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of this subsection to the taxpayer in charge of the project, its officers and agents, the Director of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(e) As used in this Section:

"Enterprise Zone construction jobs credit" means an amount equal to 50% (or 75% if the project is located in an underserved area) of the incremental income tax attributable to Enterprise Zone construction jobs credit employees.

"Enterprise Zone construction jobs credit employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of an Enterprise Zone construction jobs credit project.

"Enterprise Zone construction jobs credit project" means building a structure or building or making improvements of any kind to real property commissioned and paid for by a business that has applied and been approved for an Enterprise Zone construction jobs credit pursuant to this Section. "Enterprise Zone construction jobs credit project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of Enterprise Zone construction jobs credit employees.

"Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest federal decennial census;
(2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

Section 20-10. The Illinois Income Tax Act is amended by changing Sections 201, 211, and 221 as follows:

(35 ILCS 5/201) (from Ch. 120, par. 2-201)

Sec. 201. Tax imposed.

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

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

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

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

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

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

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

(5.1) In the case of an individual, trust, or estate, for taxable years beginning prior

to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 5% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 3.75% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code, equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

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

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

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

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service,

or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

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

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

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

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

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

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

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

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

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

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

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

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

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

this election on its Personal Property Tax Replacement Income Tax return for that taxable year. The election to pass through the credits shall be irrevocable.

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

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

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

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) (Blank).

(h) Investment credit; High Impact Business.

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

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

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first.

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

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

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

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2022, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

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

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

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

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

It is the intent of the General Assembly that the research and development credit under this subsection (k) shall apply continuously for all tax years ending on or after December 31, 2004 and ending prior to January 1, 2022, including, but not limited to, the period beginning on January 1, 2016 and ending on the

effective date of this amendatory Act of the 100th General Assembly. All actions taken in reliance on the continuation of the credit under this subsection (k) by any taxpayer are hereby validated.

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of \$100,000 per site, except that the \$100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed \$40,000 per year with a maximum total of \$150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

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

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

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

For purposes of this subsection:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Source: P.A. 100-22, eff. 7-6-17.)

(35 ILCS 5/211)

Sec. 211. Economic Development for a Growing Economy Tax Credit. For tax years beginning on or after January 1, 1999, a Taxpayer who has entered into an Agreement (including a New Construction EDGE Agreement) under the Economic Development for a Growing Economy Tax Credit Act is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act in an amount to be determined in the Agreement. If the Taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code. The Department, in cooperation with the Department of Commerce and Economic Opportunity, shall prescribe rules to enforce and administer the provisions of this Section. This Section is exempt from the provisions of Section 250 of this Act.

The credit shall be subject to the conditions set forth in the Agreement and the following limitations:

(1) The tax credit shall not exceed the Incremental Income Tax (as defined in Section 5-5 of the Economic Development for a Growing Economy Tax Credit Act) with respect to the project; additionally, the New Construction EDGE Credit shall not exceed the New Construction EDGE Incremental Income Tax (as defined in Section 5-5 of the Economic Development for a Growing Economy Tax Credit Act).

(2) The amount of the credit allowed during the tax year plus the sum of all amounts allowed in prior years shall not exceed 100% of the aggregate amount expended by the Taxpayer during all prior tax years on approved costs defined by Agreement.

(3) The amount of the credit shall be determined on an annual basis. Except as applied in a carryover year pursuant to Section 211(4) of this Act, the credit may not be applied against any State income tax liability in more than 10 taxable years; provided, however, that (i) an eligible business certified by the Department of Commerce and Economic Opportunity under the Corporate Headquarters Relocation Act may not apply the credit against any of its State income tax liability in more than 15 taxable years and (ii) credits allowed to that eligible business are subject to the conditions and requirements set forth in Sections 5-35 and 5-45 of the Economic Development for a Growing Economy Tax Credit Act and Section 5-51 as applicable to New Construction EDGE Credits.

(4) The credit may not exceed the amount of taxes imposed pursuant to subsections (a) and (b) of Section 201 of this Act. Any credit that is unused in the year the credit is computed may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one tax year that are available to offset a liability, the earlier credit shall be applied first.

(5) No credit shall be allowed with respect to any Agreement for any taxable year ending after the Noncompliance Date. Upon receiving notification by the Department of Commerce and Economic Opportunity of the noncompliance of a Taxpayer with an Agreement, the Department shall notify the Taxpayer that no credit is allowed with respect to that Agreement for any taxable year ending after the Noncompliance Date, as stated in such notification. If any credit has been allowed with respect to an Agreement for a taxable year ending after the Noncompliance Date for that Agreement, any refund paid to the Taxpayer for that taxable year shall, to the extent of that credit allowed, be an erroneous refund within the meaning of Section 912 of this Act.

(6) For purposes of this Section, the terms "Agreement", "Incremental Income Tax", "New Construction EDGE Agreement", "New Construction EDGE Credit", "New Construction EDGE Incremental Income Tax", and

"Noncompliance Date" have the same meaning as when used in the Economic Development for a Growing Economy Tax Credit Act.
(Source: P.A. 94-793, eff. 5-19-06.)

(35 ILCS 5/221)

Sec. 221. Rehabilitation costs; qualified historic properties; River Edge Redevelopment Zone.

(a) For taxable years that begin on or after January 1, 2012 and begin prior to January 1, 2018, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 of this Act in an amount equal to 25% of qualified expenditures incurred by a qualified taxpayer during the taxable year in the restoration and preservation of a qualified historic structure located in a River Edge Redevelopment Zone pursuant to a qualified rehabilitation plan, provided that the total amount of such expenditures (i) must equal \$5,000 or more and (ii) must exceed 50% of the purchase price of the property.

(a-1) For taxable years that begin on or after January 1, 2018 and end prior to January 1, 2022, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 of this Act in an aggregate amount equal to 25% of qualified expenditures incurred by a qualified taxpayer in the restoration and preservation of a qualified historic structure located in a River Edge Redevelopment Zone pursuant to a qualified rehabilitation plan, provided that the total amount of such expenditures must (i) equal \$5,000 or more and (ii) exceed the adjusted basis of the qualified historic structure on the first day the qualified rehabilitation plan begins. For any rehabilitation project, regardless of duration or number of phases, the project's compliance with the foregoing provisions (i) and (ii) shall be determined based on the aggregate amount of qualified expenditures for the entire project and may include expenditures incurred under subsection (a), this subsection, or both subsection (a) and this subsection. If the qualified rehabilitation plan spans multiple years, the aggregate credit for the entire project shall be allowed in the last taxable year, except for phased rehabilitation projects, which may receive credits upon completion of each phase. Before obtaining the first phased credit: (A) the total amount of such expenditures must meet the requirements of provisions (i) and (ii) of this subsection; (B) the rehabilitated portion of the qualified historic structure must be placed in service; and (C) the requirements of subsection (b) must be met.

(a-2) For taxable years beginning on or after January 1, 2021 and ending prior to January 1, 2022, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 as provided in Section 10-10.3 of the River Edge Redevelopment Zone Act. The credit allowed under this subsection (a-2) shall apply only to taxpayers that make a capital investment of at least \$1,000,000 in a qualified rehabilitation plan.

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

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

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

(b) To obtain a tax credit pursuant to this Section, the taxpayer must apply with the Department of Natural Resources. The Department of Natural Resources shall determine the amount of eligible rehabilitation costs and expenses in addition to the amount of the River Edge construction jobs credit within 45 days of receipt of a complete application. The taxpayer must submit a certification of costs prepared by an independent certified public accountant that certifies (i) the project expenses, (ii) whether those expenses are qualified expenditures, and (iii) that the qualified expenditures exceed the adjusted basis of the qualified historic structure on the first day the qualified rehabilitation plan commenced. The Department of Natural Resources is authorized, but not required, to accept this certification of costs to determine the amount of qualified expenditures and the amount of the credit. The Department of Natural Resources shall provide guidance as to the minimum standards to be followed in the preparation of such certification. The Department of Natural Resources and the National Park Service shall determine whether

the rehabilitation is consistent with the United States Secretary of the Interior's Standards for Rehabilitation.

(b-1) Upon completion of the project and approval of the complete application, the Department of Natural Resources shall issue a single certificate in the amount of the eligible credits equal to 25% of qualified expenditures incurred during the eligible taxable years, as defined in subsections (a) and (a-1), excepting any credits awarded under subsection (a) prior to January 1, 2019 (the effective date of Public Act 100-629) ~~this amendatory Act of the 100th General Assembly~~ and any phased credits issued prior to the eligible taxable year under subsection (a-1). At the time the certificate is issued, an issuance fee up to the maximum amount of 2% of the amount of the credits issued by the certificate may be collected from the applicant to administer the provisions of this Section. If collected, this issuance fee shall be deposited into the Historic Property Administrative Fund, a special fund created in the State treasury. Subject to appropriation, moneys in the Historic Property Administrative Fund shall be provided to the Department of Natural Resources as reimbursement ~~Department of Natural Resources~~ for the costs associated with administering this Section.

(c) The taxpayer must attach the certificate to the tax return on which the credits are to be claimed. The tax credit under this Section may not reduce the taxpayer's liability to less than zero. If the amount of the credit exceeds the tax liability for the year, the excess credit may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year.

(c-1) Subject to appropriation, moneys in the Historic Property Administrative Fund shall be used, on a biennial basis beginning at the end of the second fiscal year after January 1, 2019 (the effective date of Public Act 100-629) ~~this amendatory Act of the 100th General Assembly~~, to hire a qualified third party to prepare a biennial report to assess the overall economic impact to the State from the qualified rehabilitation projects under this Section completed in that year and in previous years. The overall economic impact shall include at least: (1) the direct and indirect or induced economic impacts of completed projects; (2) temporary, permanent, and construction jobs created; (3) sales, income, and property tax generation before, during construction, and after completion; and (4) indirect neighborhood impact after completion. The report shall be submitted to the Governor and the General Assembly. The report to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(c-2) The Department of Natural Resources may adopt rules to implement this Section in addition to the rules expressly authorized in this Section.

(d) As used in this Section, the following terms have the following meanings.

"Phased rehabilitation" means a project that is completed in phases, as defined under Section 47 of the federal Internal Revenue Code and pursuant to National Park Service regulations at 36 C.F.R. 67.

"Placed in service" means the date when the property is placed in a condition or state of readiness and availability for a specifically assigned function as defined under Section 47 of the federal Internal Revenue Code and federal Treasury Regulation Sections 1.46 and 1.48.

"Qualified expenditure" means all the costs and expenses defined as qualified rehabilitation expenditures under Section 47 of the federal Internal Revenue Code that were incurred in connection with a qualified historic structure.

"Qualified historic structure" means a certified historic structure as defined under Section 47(c)(3) of the federal Internal Revenue Code.

"Qualified rehabilitation plan" means a project that is approved by the Department of Natural Resources and the National Park Service as being consistent with the United States Secretary of the Interior's Standards for Rehabilitation.

"Qualified taxpayer" means the owner of the qualified historic structure or any other person who qualifies for the federal rehabilitation credit allowed by Section 47 of the federal Internal Revenue Code with respect to that qualified historic structure. Partners, shareholders of subchapter S corporations, and owners of limited liability companies (if the limited liability company is treated as a partnership for purposes of federal and State income taxation) are entitled to a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 703 and subchapter S of the Internal Revenue Code, provided that credits granted to a partnership, a limited liability company taxed as a partnership, or other multiple owners of property shall be passed through to the partners, members, or owners respectively on a pro rata basis or pursuant to an executed agreement among the partners, members, or owners documenting any alternate distribution method.

(Source: P.A. 99-914, eff. 12-20-16; 100-236, eff. 8-18-17; 100-629, eff. 1-1-19; 100-695, eff. 8-3-18; revised 10-18-18.)

Section 20-15. The Economic Development for a Growing Economy Tax Credit Act is amended by changing Section 5-5 and by adding Sections 5-51 and 5-56 as follows:

(35 ILCS 10/5-5)

Sec. 5-5. Definitions. As used in this Act:

"Agreement" means the Agreement between a Taxpayer and the Department under the provisions of Section 5-50 of this Act.

"Applicant" means a Taxpayer that is operating a business located or that the Taxpayer plans to locate within the State of Illinois and that is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, assembling, warehousing, or distributing products, conducting research and development, providing tourism services, or providing services in interstate commerce, office industries, or agricultural processing, but excluding retail, retail food, health, or professional services. "Applicant" does not include a Taxpayer who closes or substantially reduces an operation at one location in the State and relocates substantially the same operation to another location in the State. This does not prohibit a Taxpayer from expanding its operations at another location in the State, provided that existing operations of a similar nature located within the State are not closed or substantially reduced. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation provided that the Department determines that expansion cannot reasonably be accommodated within the municipality in which the business is located, or in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Committee" means the Illinois Business Investment Committee created under Section 5-25 of this Act within the Illinois Economic Development Board.

"Credit" means the amount agreed to between the Department and Applicant under this Act, but not to exceed the lesser of: (1) the sum of (i) 50% of the Incremental Income Tax attributable to New Employees at the Applicant's project and (ii) 10% of the training costs of New Employees; or (2) 100% of the Incremental Income Tax attributable to New Employees at the Applicant's project. However, if the project is located in an underserved area, then the amount of the Credit may not exceed the lesser of: (1) the sum of (i) 75% of the Incremental Income Tax attributable to New Employees at the Applicant's project and (ii) 10% of the training costs of New Employees; or (2) 100% of the Incremental Income Tax attributable to New Employees at the Applicant's project. If an Applicant agrees to hire the required number of New Employees, then the maximum amount of the Credit for that Applicant may be increased by an amount not to exceed 25% of the Incremental Income Tax attributable to retained employees at the Applicant's project; provided that, in order to receive the increase for retained employees, the Applicant must provide the additional evidence required under paragraph (3) of subsection (b) of Section 5-25.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of Commerce and Economic Opportunity.

"Full-time Employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. An individual for whom a W-2 is issued by a Professional Employer Organization (PEO) is a full-time employee if employed in the service of the Applicant for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment to Applicant.

"Incremental Income Tax" means the total amount withheld during the taxable year from the compensation of New Employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project that is the subject of an Agreement.

"New Construction EDGE Agreement" means the Agreement between a Taxpayer and the Department under the provisions of Section 5-51 of this Act.

"New Construction EDGE Credit" means an amount agreed to between the Department and the Applicant under this Act as part of a New Construction EDGE Agreement that does not exceed 50% of the Incremental Income Tax attributable to New Construction EDGE Employees at the Applicant's project; however, if the New Construction EDGE Project is located in an underserved area, then the amount of the New Construction EDGE Credit may not exceed 75% of the Incremental Income Tax attributable to New Construction EDGE Employees at the Applicant's New Construction EDGE Project.

"New Construction EDGE Employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a New Construction EDGE Project, pursuant to a New Construction EDGE Agreement.

"New Construction EDGE Incremental Income Tax" means the total amount withheld during the taxable year from the compensation of New Construction EDGE Employees.

"New Construction EDGE Project" means the building of a Taxpayer's structure or building, or making improvements of any kind to real property. "New Construction EDGE Project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"New Employee" means:

(a) A Full-time Employee first employed by a Taxpayer in the project that is the subject of an Agreement and who is hired after the Taxpayer enters into the tax credit Agreement.

(b) The term "New Employee" does not include:

(1) an employee of the Taxpayer who performs a job that was previously performed by another employee, if that job existed for at least 6 months before hiring the employee;

(2) an employee of the Taxpayer who was previously employed in Illinois by a Related Member of the Taxpayer and whose employment was shifted to the Taxpayer after the Taxpayer entered into the tax credit Agreement; or

(3) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or an indirect ownership interest of at least 5% in the profits, capital, or value of the Taxpayer.

(c) Notwithstanding paragraph (1) of subsection (b), an employee may be considered a New Employee under the Agreement if the employee performs a job that was previously performed by an employee who was:

(1) treated under the Agreement as a New Employee; and

(2) promoted by the Taxpayer to another job.

(d) Notwithstanding subsection (a), the Department may award Credit to an Applicant with respect to an employee hired prior to the date of the Agreement if:

(1) the Applicant is in receipt of a letter from the Department stating an intent to enter into a credit Agreement;

(2) the letter described in paragraph (1) is issued by the Department not later than 15 days after the effective date of this Act; and

(3) the employee was hired after the date the letter described in paragraph (1) was issued.

"Noncompliance Date" means, in the case of a Taxpayer that is not complying with the requirements of the Agreement or the provisions of this Act, the day following the last date upon which the Taxpayer was in compliance with the requirements of the Agreement and the provisions of this Act, as determined by the Director, pursuant to Section 5-65.

"Pass Through Entity" means an entity that is exempt from the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act.

"Professional Employer Organization" (PEO) means an employee leasing company, as defined in Section 206.1(A)(2) of the Illinois Unemployment Insurance Act.

"Related Member" means a person that, with respect to the Taxpayer during any portion of the taxable year, is any one of the following:

(1) An individual stockholder, if the stockholder and the members of the stockholder's family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the Taxpayer's outstanding stock.

(2) A partnership, estate, or trust and any partner or beneficiary, if the partnership, estate, or trust, and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the Taxpayer.

(3) A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the Taxpayer owns directly, indirectly, beneficially, or constructively at least 50% of the value of the corporation's outstanding stock.

(4) A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the Taxpayer.

(5) A person to or from whom there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a Related Member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

"Taxpayer" means an individual, corporation, partnership, or other entity that has any Illinois Income Tax liability.

"Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest federal decennial census;

(2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

(Source: P.A. 100-511, eff. 9-18-17.)

(35 ILCS 10/5-51 new)

Sec. 5-51. New Construction EDGE Agreement.

(a) Notwithstanding any other provisions of this Act, and in addition to any Credit otherwise allowed under this Act, beginning on January 1, 2021, there is allowed a New Construction EDGE Credit for eligible Applicants that meet the following criteria:

(1) the Department has certified that the Applicant meets all requirements of Sections 5-15, 5-20, and 5-25; and

(2) the Department has certified that, pursuant to Section 5-20, the Applicant's Agreement includes a capital investment of at least \$10,000,000 in a New Construction EDGE Project to be placed in service within the State as a direct result of an Agreement entered into pursuant to this Section.

(b) The Department shall notify each Applicant during the application process that their project is eligible for a New Construction EDGE Credit. The Department shall create a separate application to be filled out by the Applicant regarding the New Construction EDGE credit. The Application shall include the following:

(1) a detailed description of the New Construction EDGE Project that is subject to the New Construction EDGE Agreement, including the location and amount of the investment and jobs created or retained;

(2) the duration of the New Construction EDGE Credit and the first taxable year for which the Credit may be claimed;

(3) the New Construction EDGE Credit amount that will be allowed for each taxable year;

(4) a requirement that the Director is authorized to verify with the appropriate State agencies the amount of the incremental income tax withheld by a Taxpayer, and after doing so, shall issue a certificate to the Taxpayer stating that the amounts have been verified;

(5) the amount of the capital investment, which may at no point be less than \$10,000,000, the time period of placing the New Construction EDGE Project in service, and the designated location in Illinois for the investment;

(6) a requirement that the Taxpayer shall provide written notification to the Director not more than 30 days after the Taxpayer determines that the capital investment of at least \$10,000,000 is not or will not be achieved or maintained as set forth in the terms and conditions of the Agreement;

(7) a detailed provision that the Taxpayer shall be awarded a New Construction EDGE Credit upon the verified completion and occupancy of a New Construction EDGE Project; and

(8) any other performance conditions, including the ability to verify that a New Construction EDGE Project is built and completed, or that contract provisions as the Department determines are appropriate.

(c) The Department shall post on its website the terms of each New Construction EDGE Agreement entered into under this Act on or after the effective date of this amendatory Act of the 101st General Assembly. Such information shall be posted within 10 days after entering into the Agreement and must include the following:

(1) the name of the recipient business;

(2) the location of the project;

(3) the estimated value of the credit; and

(4) whether or not the project is located in an underserved area.

(d) The Department, in collaboration with the Department of Labor, shall require that certified payroll reporting, pursuant to Section 5-56 of this Act, be completed in order to verify the wages and any other necessary information which the Department may deem necessary to ascertain and certify the total number

of New Construction EDGE Employees subject to a New Construction EDGE Agreement and amount of a New Construction EDGE Credit.

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

(35 ILCS 10/5-56 new)

Sec. 5-56. Certified payroll.

(a) Each contractor and subcontractor that is engaged in and is executing a New Construction EDGE Project for a Taxpayer, pursuant to a New Construction EDGE Agreement shall:

(1) make and keep, for a period of 5 years from the date of the last payment made on or after the effective date of this amendatory Act of the 101st General Assembly on a contract or subcontract for a New Construction EDGE Project pursuant to a New Construction EDGE Agreement, records of all laborers and other workers employed by the contractor or subcontractor on the project; the records shall include:

(A) the worker's name;

(B) the worker's address;

(C) the worker's telephone number, if available;

(D) the worker's social security number;

(E) the worker's classification or classifications;

(F) the worker's gross and net wages paid in each pay period;

(G) the worker's number of hours worked each day;

(H) the worker's starting and ending times of work each day;

(I) the worker's hourly wage rate; and

(J) the worker's hourly overtime wage rate; and

(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the Department of Labor and the Department of Commerce and Economic Opportunity; a certified payroll must be filed for only those calendar months during which construction on a New Construction EDGE Project has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:

(A) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; and

(B) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.

A general contractor is not prohibited from relying on a certified payroll of a lower-tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification.

Any contractor or subcontractor subject to this Section, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this Section, who willfully fails to file such a certified payroll on or before the date such certified payroll is required to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor.

The taxpayer in charge of the project shall keep the records submitted in accordance with this subsection on or after the effective date of this amendatory Act of the 101st General Assembly for a period of 5 years from the date of the last payment for work on a contract or subcontract for the project.

The records submitted in accordance with this subsection shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The Department of Labor shall accept any reasonable submissions by the contractor that meet the requirements of this subsection and shall share the information with the Department in order to comply with the awarding of New Construction EDGE Credits. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of this subsection to the taxpayer in charge of the project, its officers and agents, the Director of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

Section 20-20. The River Edge Redevelopment Zone Act is amended by changing Section 10-3 and by adding Sections 10-10.3 and 10-10.4 as follows:

[June 2, 2019]

(65 ILCS 115/10-3)

Sec. 10-3. Definitions. As used in this Act:

"Department" means the Department of Commerce and Economic Opportunity.

"River Edge Redevelopment Zone" means an area of the State certified by the Department as a River Edge Redevelopment Zone pursuant to this Act.

"Designated zone organization" means an association or entity: (1) the members of which are substantially all residents of the River Edge Redevelopment Zone or of the municipality in which the River Edge Redevelopment Zone is located; (2) the board of directors of which is elected by the members of the organization; (3) that satisfies the criteria set forth in Section 501(c) (3) or 501(c) (4) of the Internal Revenue Code; and (4) that exists primarily for the purpose of performing within the zone, for the benefit of the residents and businesses thereof, any of the functions set forth in Section 8 of this Act.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of River Edge Construction Jobs Employees.

"Agency" means: each officer, board, commission, and agency created by the Constitution, in the executive branch of State government, other than the State Board of Elections; each officer, department, board, commission, agency, institution, authority, university, and body politic and corporate of the State; each administrative unit or corporate outgrowth of the State government that is created by or pursuant to statute, other than units of local government and their officers, school districts, and boards of election commissioners; and each administrative unit or corporate outgrowth of the above and as may be created by executive order of the Governor. No entity is an "agency" for the purposes of this Act unless the entity is authorized by law to make rules or regulations.

"River Edge construction jobs credit" means an amount equal to 50% of the incremental income tax attributable to River Edge construction employees employed on a River Edge construction jobs project. However, the amount may equal 75% of the incremental income tax attributable to River Edge construction employees employed on a River Edge construction jobs project located in an underserved area. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of this amendatory Act of the 101st General Assembly) shall not exceed \$20,000,000 in any State fiscal year.

"River Edge construction jobs employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a River Edge construction jobs project.

"River Edge construction jobs project" means building a structure or building, or making improvements of any kind to real property, in a River Edge Redevelopment Zone that is built or improved in the course of completing a qualified rehabilitation plan. "River Edge construction jobs project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"Rule" means each agency statement of general applicability that implements, applies, interprets, or prescribes law or policy, but does not include (i) statements concerning only the internal management of an agency and not affecting private rights or procedures available to persons or entities outside the agency, (ii) intra-agency memoranda, or (iii) the prescription of standardized forms.

"Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest federal decennial census;

(2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

(Source: P.A. 94-1021, eff. 7-12-06.)

(65 ILCS 115/10-10.3 new)

Sec. 10-10.3. River Edge Construction Jobs Credit.

(a) Beginning on January 1, 2021, a business entity may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 in an amount equal to 50% (or 75% if the project is located in an underserved area) of the amount of the incremental income tax attributable to River Edge construction jobs employees employed in the course of completing a River Edge construction jobs project. The credit allowed under this Section shall apply only to taxpayers that make a capital investment of at least \$1,000,000 in a qualified rehabilitation plan.

(b) A business entity seeking a credit under this Section must submit an application to the Department describing the nature and benefit of the River Edge construction jobs project to the qualified rehabilitation

project and the River Edge Redevelopment Zone. The Department may adopt any necessary rules in order to administer the provisions of this Section.

(c) Within 45 days after the receipt of an application, the Department shall give notice to the applicant as to whether the application has been approved or disapproved. If the Department disapproves the application, it shall specify the reasons for this decision and allow 60 days for the applicant to amend and resubmit its application. The Department shall provide assistance upon request to applicants. Resubmitted applications shall receive the Department's approval or disapproval within 30 days of resubmission. Those resubmitted applications satisfying initial Department objectives shall be approved unless reasonable circumstances warrant disapproval.

(d) On an annual basis, the designated zone organization shall furnish a statement to the Department on the programmatic and financial status of any approved project and an audited financial statement of the project.

(e) The Department shall certify to the Department of Revenue the identity of the taxpayers who are eligible for River Edge construction jobs credits and the amounts of River Edge construction jobs credits awarded in each taxable year.

(f) The Department, in collaboration with the Department of Labor, shall require certified payroll reporting, pursuant to Section 10-10.4 of this Act, be completed in order to verify the wages and any other necessary information which the Department may deem necessary to ascertain and certify the total number of River Edge construction jobs employees and determine the amount of a River Edge construction jobs credit.

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

(65 ILCS 115/10-10.4 new)

Sec. 10-10.4. Certified payroll.

(a) Any contractor and each subcontractor who is engaged in and is executing a River Edge construction jobs project for a taxpayer that is entitled to a credit pursuant to Section 10-10.3 of this Act shall:

(1) make and keep, for a period of 5 years from the date of the last payment made on or after the effective date of this amendatory Act of the 101st General Assembly on a contract or subcontract for a River Edge Construction Jobs Project in a River Edge Redevelopment Zone records of all laborers and other workers employed by them on the project; the records shall include:

(A) the worker's name;

(B) the worker's address;

(C) the worker's telephone number, if available;

(D) the worker's social security number;

(E) the worker's classification or classifications;

(F) the worker's gross and net wages paid in each pay period;

(G) the worker's number of hours worked each day;

(H) the worker's starting and ending times of work each day;

(I) the worker's hourly wage rate; and

(J) the worker's hourly overtime wage rate;

(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the Department of Labor and the Department of Commerce and Economic Opportunity; a certified payroll must be filed for only those calendar months during which construction on a River Edge Construction Jobs Project has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:

(A) he or she has examined the certified payroll records required to be submitted and such records are true and accurate; and

(B) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.

A general contractor is not prohibited from relying on a certified payroll of a lower-tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification.

Any contractor or subcontractor subject to this Section, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this Section, who willfully fails to file such a certified payroll on or before the date such certified

payroll is required to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor.

The taxpayer in charge of the project shall keep the records submitted in accordance with this Section on or after the effective date of this amendatory Act of the 101st General Assembly for a period of 5 years from the date of the last payment for work on a contract or subcontract for the project.

The records submitted in accordance with this subsection shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The Department of Labor shall accept any reasonable submissions by the contractor that meet the requirements of this subsection and shall share the information with the Department in order to comply with the awarding of River Edge construction jobs credits. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of this subsection to the taxpayer in charge of the project, its officers and agents, the Director of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

ARTICLE 25. MANUFACTURING MACHINERY AND EQUIPMENT

Section 25-5. The Use Tax Act is amended by changing Sections 3-5 and 3-50 as follows:

(35 ILCS 105/3-5)

Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or by a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

(5) Until July 1, 2003, a passenger car that is a replacement vehicle to the extent that the purchase price of the car is subject to the Replacement Vehicle Tax.

(6) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order, certified by the purchaser to be used primarily for graphic arts production, and including machinery and equipment purchased for lease. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under paragraph (18).

(7) Farm chemicals.

(8) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(9) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(10) A motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.

(11) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (11). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (11) is exempt from the provisions of Section 3-90.

(12) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(13) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages purchased at retail from a retailer, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(14) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(15) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(16) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(17) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for

consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(18) Manufacturing and assembling machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether that sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether that sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (18) includes production related tangible personal property, as defined in Section 3-50, purchased on or after July 1, 2019. The exemption provided by this paragraph (18) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (18) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (6) of this Section.

(19) Personal property delivered to a purchaser or purchaser's donee inside Illinois when the purchase order for that personal property was received by a florist located outside Illinois who has a florist located inside Illinois deliver the personal property.

(20) Semen used for artificial insemination of livestock for direct agricultural production.

(21) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (21) is exempt from the provisions of Section 3-90, and the exemption provided for under this item (21) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008.

(22) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(23) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(24) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(25) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(26) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-90.

(27) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(28) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-90.

(29) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-90.

(30) Beginning January 1, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(31) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(32) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(33) On and after July 1, 2003 and through June 30, 2004, the use in this State of motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds and that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, the term "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise, whether for-hire or not.

(34) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-90.

(35) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property by persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (35) by Public Act 98-534 are declarative of existing law.

(36) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-90.

(37) Beginning January 1, 2017, menstrual pads, tampons, and menstrual cups.

(38) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental purchase agreement, as defined in the Rental Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 3-90.

(39) Tangible personal property purchased by a purchaser who is exempt from the tax imposed by this Act by operation of federal law. This paragraph is exempt from the provisions of Section 3-90.

(Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16; 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-8-19.)

(35 ILCS 105/3-50) (from Ch. 120, par. 439.3-50)

Sec. 3-50. Manufacturing and assembly exemption. The manufacturing and assembling machinery and equipment exemption includes machinery and equipment that replaces machinery and equipment in an existing manufacturing facility as well as machinery and equipment that are for use in an expanded or new manufacturing facility. The machinery and equipment exemption also includes machinery and equipment used in the general maintenance or repair of exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. Beginning on July 1, 2017, the manufacturing and assembling machinery and equipment exemption also includes graphic arts machinery and equipment, as defined in paragraph (6) of Section 3-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of this exemption, terms have the following meanings:

(1) "Manufacturing process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by a procedure commonly regarded as manufacturing, processing, fabricating, or refining that changes some existing material into a material with a different form, use, or name. In relation to a recognized integrated business composed of a series of operations that collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process commences with the first operation or stage of production in the series and does not end until the completion of the final product in the last operation or stage of production in the series. For purposes of this exemption, photoprocessing is a manufacturing process of tangible personal property for wholesale or retail sale.

(2) "Assembling process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling that results in an article or material of a different form, use, or name.

(3) "Machinery" means major mechanical machines or major components of those machines contributing to a manufacturing or assembling process.

(4) "Equipment" includes an independent device or tool separate from machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; any subunit or assembly comprising a component of any machinery or auxiliary, adjunct, or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns, and molds; and any parts that require periodic replacement in the course of normal operation; but does not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease.

(5) "Production related tangible personal property" means all tangible personal property that is used or consumed by the purchaser in a manufacturing facility in which a manufacturing process takes place and includes, without limitation, tangible personal property that is purchased for incorporation into real estate within a manufacturing facility, supplies and consumables used in a manufacturing facility including fuels, coolants, solvents, oils, lubricants, and adhesives, hand tools, protective apparel, and fire and safety equipment used or consumed within a manufacturing facility, and tangible personal property that is used or consumed in activities such as research and development, preproduction material handling, receiving, quality control, inventory control, storage, staging, and packaging for shipping and transportation purposes. "Production related tangible personal property" does not include (i) tangible personal property that is used, within or without a manufacturing facility, in sales, purchasing, accounting, fiscal management, marketing, personnel recruitment or selection, or landscaping or (ii) tangible personal property that is required to be titled or registered with a department, agency, or unit of federal, State, or local government.

The manufacturing and assembling machinery and equipment exemption includes production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008 and

on or after July 1, 2019. The exemption for production related tangible personal property purchased on or after July 1, 2007 and on or before June 30, 2008 is subject to both of the following limitations:

(1) The maximum amount of the exemption for any one taxpayer may not exceed 5% of the purchase price of production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008. A credit under Section 3-85 of this Act may not be earned by the purchase of production related tangible personal property for which an exemption is received under this Section.

(2) The maximum aggregate amount of the exemptions for production related tangible personal property purchased on or after July 1, 2007 and on or before June 30, 2008 awarded under this Act and the Retailers' Occupation Tax Act to all taxpayers may not exceed \$10,000,000. If the claims for the exemption exceed \$10,000,000, then the Department shall reduce the amount of the exemption to each taxpayer on a pro rata basis.

The Department ~~may~~ shall adopt rules to implement and administer the exemption for production related tangible personal property.

The manufacturing and assembling machinery and equipment exemption includes the sale of materials to a purchaser who produces exempted types of machinery, equipment, or tools and who rents or leases that machinery, equipment, or tools to a manufacturer of tangible personal property. This exemption also includes the sale of materials to a purchaser who manufactures those materials into an exempted type of machinery, equipment, or tools that the purchaser uses himself or herself in the manufacturing of tangible personal property. This exemption includes the sale of exempted types of machinery or equipment to a purchaser who is not the manufacturer, but who rents or leases the use of the property to a manufacturer. The purchaser of the machinery and equipment who has an active resale registration number shall furnish that number to the seller at the time of purchase. A user of the machinery, equipment, or tools without an active resale registration number shall prepare a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, and that certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate. Informal rulings, opinions, or letters issued by the Department in response to an inquiry or request for an opinion from any person regarding the coverage and applicability of this exemption to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion, or letter contains trade secrets or other confidential information, where possible, the Department shall delete that information before publication. Whenever informal rulings, opinions, or letters contain a policy of general applicability, the Department shall formulate and adopt that policy as a rule in accordance with the Illinois Administrative Procedure Act.

The manufacturing and assembling machinery and equipment exemption is exempt from the provisions of Section 3-90.

(Source: P.A. 100-22, eff. 7-6-17.)

Section 25-10. The Service Use Tax Act is amended by changing Section 2 as follows:

(35 ILCS 110/2) (from Ch. 120, par. 439.32)

Sec. 2. Definitions. In this Act:

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, but does not include the sale or use for demonstration by him of that property in any form as tangible personal property in the regular course of business. "Use" does not mean the interim use of tangible personal property nor the physical incorporation of tangible personal property, as an ingredient or constituent, into other tangible personal property, (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois.

"Purchased from a serviceman" means the acquisition of the ownership of, or title to, tangible personal property through a sale of service.

"Purchaser" means any person who, through a sale of service, acquires the ownership of, or title to, any tangible personal property.

"Cost price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service, it shall be presumed that the cost price to the serviceman of the property transferred to him or her by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits and service, and shall be determined without any deduction on account of the serviceman's cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act.

"Department" means the Department of Revenue.

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

"Sale of service" means any transaction except:

(1) a retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(2) a sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(3) except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body, or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes.

(4) (blank).

(4a) a sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors, or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by interstate carriers for hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(4a-5) on and after July 1, 2003 and through June 30, 2004, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(5) a sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Use Tax or Service Occupation Tax, rather than Use Tax or Retailers' Occupation Tax. The exemption provided by this paragraph (5) includes production related tangible personal property, as defined in Section 3-50 of the Use Tax Act, purchased on or after July 1, 2019. The exemption provided by this paragraph (5) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. The exemption under this paragraph (5) is exempt from the provisions of Section 3-75.

(5a) the repairing, reconditioning or remodeling, for a common carrier by rail, of

tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and which such carrier transports, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property to a destination outside Illinois, for use outside Illinois.

(5b) a sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(6) until July 1, 2003, a sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is certified by motor fuel to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of such user and not subject to sale or resale.

(7) at the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (5) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. On and after July 1, 2017, exemption (5) also includes graphic arts machinery and equipment, as defined in paragraph (5) of Section 3-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of exemption (5), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further, for purposes of exemption (5), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a

component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The user of such machinery and equipment and tools without an active resale registration number shall prepare a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, which certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (5) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (3) of this Section shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of service or of tangible personal property within the meaning of this Act.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

"Serviceman maintaining a place of business in this State", or any like term, means and includes any serviceman:

(1) having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the serviceman or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such serviceman or subsidiary is licensed to do business in this State;

(1.1) having a contract with a person located in this State under which the person, for a commission or other consideration based on the sale of service by the serviceman, directly or indirectly refers potential customers to the serviceman by providing to the potential customers a promotional code or other mechanism that allows the serviceman to track purchases referred by such persons. Examples of mechanisms that allow the serviceman to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of service by the serviceman to customers who are referred to the serviceman by all persons in this State under such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December; a serviceman meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods;

(1.2) beginning July 1, 2011, having a contract with a person located in this State under which:

(A) the serviceman sells the same or substantially similar line of services as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and

(B) the serviceman provides a commission or other consideration to the person located in this State based upon the sale of services by the serviceman.

The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts

from sales of service by the serviceman to customers in this State under all such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December;

(2) soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State;

(3) pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions;

(4) soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities;

(5) being owned or controlled by the same interests which own or control any retailer engaging in business in the same or similar line of business in this State;

(6) having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section;

(7) pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State;

(8) engaging in activities in Illinois, which activities in the state in which the supply business engaging in such activities is located would constitute maintaining a place of business in that state; or

(9) beginning October 1, 2018, making sales of service to purchasers in Illinois from outside of Illinois if:

(A) the cumulative gross receipts from sales of service to purchasers in Illinois are \$100,000 or more; or

(B) the serviceman enters into 200 or more separate transactions for sales of service to purchasers in Illinois.

The serviceman shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the serviceman meets the criteria of either subparagraph (A) or (B) for a 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the serviceman shall determine whether the serviceman met the criteria of either subparagraph (A) or (B) during the preceding 12-month period. If the serviceman met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a serviceman that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either subparagraph (A) or (B) during the preceding 12-month period, the serviceman subsequently shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

(Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18.)

Section 25-15. The Service Occupation Tax Act is amended by changing Section 2 as follows:
(35 ILCS 115/2) (from Ch. 120, par. 439.102)

Sec. 2. In this Act:

"Transfer" means any transfer of the title to property or of the ownership of property whether or not the transferor retains title as security for the payment of amounts due him from the transferee.

"Cost Price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service, it shall be presumed that the cost price to the serviceman of the property transferred to him by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Department" means the Department of Revenue.

[June 2, 2019]

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

"Sale of Service" means any transaction except:

(a) A retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(b) A sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(c) Except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes.

(d) (Blank).

(d-1) A sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(d-1.1) On and after July 1, 2003 and through June 30, 2004, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(d-2) The repairing, reconditioning or remodeling, for a common carrier by rail, of tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and which such carrier transports, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(d-3) A sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(d-4) Until January 1, 1997, a sale, by a registered serviceman paying tax under this Act to the Department, of special order printed materials delivered outside Illinois and which are not returned to this State, if delivery is made by the seller or agent of the seller, including an agent who causes the product to be delivered outside Illinois by a common carrier or the U.S. postal service.

(e) A sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Occupation Tax or Service Use Tax, rather than Retailers' Occupation Tax or Use Tax. The exemption provided by this paragraph (e) includes production related tangible personal property, as defined in Section 3-50 of the Use Tax Act.

purchased on or after July 1, 2019. The exemption provided by this paragraph (e) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. The exemption under this subsection (e) is exempt from the provisions of Section 3-75.

(f) Until July 1, 2003, the sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of such user and not subject to sale or resale.

(g) At the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35% (75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production) of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (e) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. On and after July 1, 2017, exemption (e) also includes graphic arts machinery and equipment, as defined in paragraph (5) of Section 3-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of exemption (e), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further for purposes of exemption (e), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The purchaser of such machinery and equipment and tools without an active resale registration

number shall furnish to the seller a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, which certificate shall be available to the Department for inspection or audit.

Except as provided in Section 2d of this Act, the rolling stock exemption applies to rolling stock used by an interstate carrier for hire, even just between points in Illinois, if such rolling stock transports, for hire, persons whose journeys or property whose shipments originate or terminate outside Illinois.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (e) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (c) of this Section shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at Retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

(Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-863, eff. 8-14-18.)

Section 25-20. The Retailers' Occupation Tax Act is amended by changing Section 2-45 as follows:
(35 ILCS 120/2-45) (from Ch. 120, par. 441-45)

Sec. 2-45. Manufacturing and assembly exemption. The manufacturing and assembly machinery and equipment exemption includes machinery and equipment that replaces machinery and equipment in an existing manufacturing facility as well as machinery and equipment that are for use in an expanded or new manufacturing facility.

The machinery and equipment exemption also includes machinery and equipment used in the general maintenance or repair of exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. Beginning on July 1, 2017, the manufacturing and assembling machinery and equipment exemption also includes graphic arts machinery and equipment, as defined in paragraph (4) of Section 2-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of this exemption, terms have the following meanings:

(1) "Manufacturing process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by a procedure commonly regarded as manufacturing, processing, fabricating, or refining that changes some existing material or materials into a material with a different form, use, or name. In relation to a recognized integrated business composed of a series of operations that collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process commences with the first operation or stage of production in the series and does not end until the completion of the final product in the last operation or stage of production in the series. For purposes of this exemption, photoprocessing is a manufacturing process of tangible personal property for wholesale or retail sale.

(2) "Assembling process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling that results in a material of a different form, use, or name.

(3) "Machinery" means major mechanical machines or major components of those machines contributing to a manufacturing or assembling process.

(4) "Equipment" includes an independent device or tool separate from machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; any subunit or assembly comprising a component of any machinery or auxiliary, adjunct, or attachment parts

of machinery, such as tools, dies, jigs, fixtures, patterns, and molds; and any parts that require periodic replacement in the course of normal operation; but does not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease.

(5) "Production related tangible personal property" means all tangible personal property that is used or consumed by the purchaser in a manufacturing facility in which a manufacturing process takes place and includes, without limitation, tangible personal property that is purchased for incorporation into real estate within a manufacturing facility, supplies and consumables used in a manufacturing facility including fuels, coolants, solvents, oils, lubricants, and adhesives, hand tools, protective apparel, and fire and safety equipment used or consumed within a manufacturing facility, and tangible personal property that is used or consumed in activities such as research and development, preproduction material handling, receiving, quality control, inventory control, storage, staging, and packaging for shipping and transportation purposes. "Production related tangible personal property" does not include (i) tangible personal property that is used, within or without a manufacturing facility, in sales, purchasing, accounting, fiscal management, marketing, personnel recruitment or selection, or landscaping or (ii) tangible personal property that is required to be titled or registered with a department, agency, or unit of federal, State, or local government.

The manufacturing and assembling machinery and equipment exemption includes production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008 and on or after July 1, 2019. The exemption for production related tangible personal property purchased on or after July 1, 2007 and before June 30, 2008 is subject to both of the following limitations:

(1) The maximum amount of the exemption for any one taxpayer may not exceed 5% of the purchase price of production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008. A credit under Section 3-85 of this Act may not be earned by the purchase of production related tangible personal property for which an exemption is received under this Section.

(2) The maximum aggregate amount of the exemptions for production related tangible personal property awarded under this Act and the Use Tax Act to all taxpayers may not exceed \$10,000,000. If the claims for the exemption exceed \$10,000,000, then the Department shall reduce the amount of the exemption to each taxpayer on a pro rata basis.

The Department shall ~~may~~ adopt rules to implement and administer the exemption for production related tangible personal property.

The manufacturing and assembling machinery and equipment exemption includes the sale of materials to a purchaser who produces exempted types of machinery, equipment, or tools and who rents or leases that machinery, equipment, or tools to a manufacturer of tangible personal property. This exemption also includes the sale of materials to a purchaser who manufactures those materials into an exempted type of machinery, equipment, or tools that the purchaser uses himself or herself in the manufacturing of tangible personal property. The purchaser of the machinery and equipment who has an active resale registration number shall furnish that number to the seller at the time of purchase. A purchaser of the machinery, equipment, and tools without an active resale registration number shall furnish to the seller a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, and that certificate shall be available to the Department for inspection or audit. Informal rulings, opinions, or letters issued by the Department in response to an inquiry or request for an opinion from any person regarding the coverage and applicability of this exemption to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion, or letter contains trade secrets or other confidential information, where possible, the Department shall delete that information before publication. Whenever informal rulings, opinions, or letters contain a policy of general applicability, the Department shall formulate and adopt that policy as a rule in accordance with the Illinois Administrative Procedure Act.

The manufacturing and assembling machinery and equipment exemption is exempt from the provisions of Section 2-70.

(Source: P.A. 100-22, eff. 7-6-17.)

ARTICLE 30. BUSINESS CORPORATION ACT OF 1983

Section 30-5. The Business Corporation Act of 1983 is amended by changing Sections 14.30, 15.35, 15.65, and 15.97 as follows:

(805 ILCS 5/14.30) (from Ch. 32, par. 14.30)

[June 2, 2019]

Sec. 14.30. Cumulative report of changes in issued shares or paid-in capital.

(a) Each domestic corporation and each foreign corporation authorized to transact business in this State that effects any change in the number of issued shares or the amount of paid-in capital prior to January 1, 2024 that has not theretofore been reported in any report other than an annual report, interim annual report, or final transition annual report, shall execute and file, in accordance with Section 1.10 of this Act, a report with respect to the changes in its issued shares or paid-in capital:

(1) that have occurred subsequent to the last day of the third month preceding its anniversary month in the preceding year and prior to the first day of the second month immediately preceding its anniversary month in the current year; or

(2) in the case of a corporation that has established an extended filing month, that have occurred during its fiscal year; or

(3) in the case of a statutory merger or consolidation or an amendment to the corporation's articles of incorporation that affects the number of issued shares or the amount of paid-in capital, that have occurred between the last day of the third month immediately preceding its anniversary month and the date of the merger, consolidation, or amendment or, in the case of a corporation that has established an extended filing month, that have occurred between the first day of its fiscal year and the date of the merger, consolidation, or amendment; or

(4) in the case of a statutory merger or consolidation or an amendment to the corporation's articles of incorporation that affects the number of issued shares or the amount of paid-in capital, that have occurred between the date of the merger, consolidation, or amendment (but not including the merger, consolidation, or amendment) and the first day of the second month immediately preceding its anniversary month in the current year, or in the case of a corporation that has established an extended filing month, that have occurred between the date of the merger, consolidation or amendment (but not including the merger, consolidation or amendment) and the last day of its fiscal year.

(b) The corporation shall file the report required under subsection (a) not later than (i) the time its annual report is required to be filed in 1992 and in each subsequent year and (ii) not later than the time of filing the articles of merger, consolidation, or amendment to the articles of incorporation that affects the number of issued shares or the amount of paid-in capital of a domestic corporation or the certified copy of merger of a foreign corporation.

(c) The report shall net decreases against increases that occur during the same taxable period. The report shall set forth:

(1) The name of the corporation and the state or country under the laws of which it is organized.

(2) A statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes and series, if any, within a class.

(3) A statement of the aggregate number of issued shares as last reported to the Secretary of State in any document required or permitted by this Act to be filed, other than an annual report, interim annual report or final transition annual report, itemized by classes and series, if any, within a class.

(4) A statement, expressed in dollars, of the amount of paid-in capital of the corporation as last reported to the Secretary of State in any document required or permitted by this Act to be filed, other than an annual report, interim annual report or final transition annual report.

(5) A statement, if applicable, of the aggregate number of shares issued by the corporation not theretofore reported to the Secretary of State as having been issued, and a statement, expressed in dollars, of the value of the entire consideration received, less expenses, including commissions, paid or incurred in connection with the issuance, for, or on account of, the issuance of the shares, itemized by classes, and series, if any, within a class; and in the case of shares issued as a share dividend, the amount added or transferred to the paid-in capital of the corporation for, or on account of, the issuance of the shares; provided, however, that the report shall also include the date of each issuance made prior to the current reporting period, and the number of issued shares and consideration received in each case.

(6) A statement, if applicable, expressed in dollars, of the amount added or transferred to paid-in capital of the corporation without the issuance of shares; provided, however, that the report shall also include the date of each increase made prior to the current reporting period, and the consideration received in each case.

(7) In case of an exchange or reclassification of issued shares resulting in an increase in the amount of paid-in capital, a statement of the manner in which it was effected, and a statement, expressed in dollars, of the amount added or transferred to the paid-in capital of the corporation as a

result thereof, except any portion thereof reported under any other subsection of this Section as a part of the consideration received by the corporation for, or on account of, its issued shares; provided, however, that the report shall also include the date of each exchange or reclassification made prior to the current reporting period and the consideration received in each case.

(8) If the consideration received for the issuance of any shares not theretofore reported as having been issued consists of labor or services performed or of property, other than cash, then a statement, expressed in dollars, of the value of that consideration as fixed by the board of directors.

(9) In the case of a cancellation of shares or a reduction in paid-in capital made pursuant to Section 9.20, the aggregate reduction in paid-in capital; provided, however, that the report shall also include the date of each reduction made prior to the current reporting period.

(10) A statement of the aggregate number of issued shares itemized by classes and series, if any, within a class, after giving effect to the changes reported.

(11) A statement, expressed in dollars, of the amount of paid-in capital of the corporation after giving effect to the changes reported.

(d) No additional license fees or franchise taxes shall be payable upon the filing of the report to the extent that license fees or franchise taxes shall have been previously paid by the corporation in respect of shares previously issued which are being exchanged for the shares the issuance of which is being reported, provided those facts are shown in the report.

(e) The report shall be made on forms prescribed and furnished by the Secretary of State.

(f) Until the report under this Section or a report under Section 14.25 shall have been filed in the Office of the Secretary of State showing a reduction in paid-in capital, the basis of the annual franchise tax payable by the corporation shall not be reduced, provided, however, in no event shall the annual franchise tax for any taxable year be reduced if the report is not filed prior to the first day of the anniversary month or, in the case of a corporation which has established an extended filing month, the extended filing month of the corporation of that taxable year and before payment of its annual franchise tax.

(Source: P.A. 90-421, eff. 1-1-98.)

(805 ILCS 5/15.35) (from Ch. 32, par. 15.35)

Sec. 15.35. Franchise taxes payable by domestic corporations. For the privilege of exercising its franchises in this State, each domestic corporation shall pay to the Secretary of State the following franchise taxes, computed on the basis, at the rates and for the periods prescribed in this Act:

(a) An initial franchise tax at the time of filing its first report of issuance of shares.

(b) An additional franchise tax at the time of filing (1) a report of the issuance of additional shares, or (2) a report of an increase in paid-in capital without the issuance of shares, or (3) an amendment to the articles of incorporation or a report of cumulative changes in paid-in capital, whenever any amendment or such report discloses an increase in its paid-in capital over the amount thereof last reported in any document, other than an annual report, interim annual report or final transition annual report required by this Act to be filed in the office of the Secretary of State.

(c) An additional franchise tax at the time of filing a report of paid-in capital following a statutory merger or consolidation, which discloses that the paid-in capital of the surviving or new corporation immediately after the merger or consolidation is greater than the sum of the paid-in capital of all of the merged or consolidated corporations as last reported by them in any documents, other than annual reports, required by this Act to be filed in the office of the Secretary of State; and in addition, the surviving or new corporation shall be liable for a further additional franchise tax on the paid-in capital of each of the merged or consolidated corporations as last reported by them in any document, other than an annual report, required by this Act to be filed with the Secretary of State from their taxable year end to the next succeeding anniversary month or, in the case of a corporation which has established an extended filing month, the extended filing month of the surviving or new corporation; however if the taxable year ends within the 2 month period immediately preceding the anniversary month or, in the case of a corporation which has established an extended filing month, the extended filing month of the surviving or new corporation the tax will be computed to the anniversary month or, in the case of a corporation which has established an extended filing month, the extended filing month of the surviving or new corporation in the next succeeding calendar year.

(d) An annual franchise tax payable each year with the annual report which the corporation is required by this Act to file.

(e) On or after January 1, 2020 and prior to January 1, 2021, the first \$30 in liability is exempt from the tax imposed under this Section. On or after January 1, 2021 and prior to January 1, 2022, the first \$1,000 in liability is exempt from the tax imposed under this Section. On or after January 1, 2022 and prior to January 1, 2023, the first \$10,000 in liability is exempt from the tax imposed under this Section. On or

after January 1, 2023 and prior to January 1, 2024, the first \$100,000 in liability is exempt from the tax imposed under this Section. The provisions of this Section shall not require the payment of any franchise tax that would otherwise have been due and payable on or after January 1, 2024. There shall be no refunds or proration of franchise tax for any taxes due and payable on or after January 1, 2024 on the basis that a portion of the corporation's taxable year extends beyond January 1, 2024. This amendatory Act of the 101st General Assembly shall not affect any right accrued or established, or any liability or penalty incurred prior to January 1, 2024.

(f) This Section is repealed on December 31, 2025.

(Source: P.A. 86-985.)

(805 ILCS 5/15.65) (from Ch. 32, par. 15.65)

Sec. 15.65. Franchise taxes payable by foreign corporations. For the privilege of exercising its authority to transact such business in this State as set out in its application therefor or any amendment thereto, each foreign corporation shall pay to the Secretary of State the following franchise taxes, computed on the basis, at the rates and for the periods prescribed in this Act:

(a) An initial franchise tax at the time of filing its application for authority to transact business in this State.

(b) An additional franchise tax at the time of filing (1) a report of the issuance of additional shares, or (2) a report of an increase in paid-in capital without the issuance of shares, or (3) a report of cumulative changes in paid-in capital or a report of an exchange or reclassification of shares, whenever any such report discloses an increase in its paid-in capital over the amount thereof last reported in any document, other than an annual report, interim annual report or final transition annual report, required by this Act to be filed in the office of the Secretary of State.

(c) Whenever the corporation shall be a party to a statutory merger and shall be the surviving corporation, an additional franchise tax at the time of filing its report following merger, if such report discloses that the amount represented in this State of its paid-in capital immediately after the merger is greater than the aggregate of the amounts represented in this State of the paid-in capital of such of the merged corporations as were authorized to transact business in this State at the time of the merger, as last reported by them in any documents, other than annual reports, required by this Act to be filed in the office of the Secretary of State; and in addition, the surviving corporation shall be liable for a further additional franchise tax on the paid-in capital of each of the merged corporations as last reported by them in any document, other than an annual report, required by this Act to be filed with the Secretary of State, from their taxable year end to the next succeeding anniversary month or, in the case of a corporation which has established an extended filing month, the extended filing month of the surviving corporation; however if the taxable year ends within the 2 month period immediately preceding the anniversary month or the extended filing month of the surviving corporation, the tax will be computed to the anniversary or extended filing month of the surviving corporation in the next succeeding calendar year.

(d) An annual franchise tax payable each year with any annual report which the corporation is required by this Act to file.

(e) On or after January 1, 2020 and prior to January 1, 2021, the first \$30 in liability is exempt from the tax imposed under this Section. On or after January 1, 2021 and prior to January 1, 2022, the first \$1,000 in liability is exempt from the tax imposed under this Section. On or after January 1, 2022 and prior to January 1, 2023, the first \$10,000 in liability is exempt from the tax imposed under this Section. On or after January 1, 2023 and prior to January 1, 2024, the first \$100,000 in liability is exempt from the tax imposed under this Section. The provisions of this Section shall not require the payment of any franchise tax that would otherwise have been due and payable on or after January 1, 2024. There shall be no refunds or proration of franchise tax for any taxes due and payable on or after January 1, 2024 on the basis that a portion of the corporation's taxable year extends beyond January 1, 2024. This amendatory Act of the 101st General Assembly shall not affect any right accrued or established, or any liability or penalty incurred prior to January 1, 2024.

(f) This Section is repealed on December 31, 2024.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 5/15.97) (from Ch. 32, par. 15.97)

Sec. 15.97. Corporate Franchise Tax Refund Fund.

(a) Beginning July 1, 1993, a percentage of the amounts collected under Sections 15.35, 15.45, 15.65, and 15.75 of this Act shall be deposited into the Corporate Franchise Tax Refund Fund, a special Fund hereby created in the State treasury. From July 1, 1993, until December 31, 1994, there shall be deposited into the Fund 3% of the amounts received under those Sections. Beginning January 1, 1995, and for each fiscal year beginning thereafter, 2% of the amounts collected under those Sections during the preceding fiscal year shall be deposited into the Fund.

[June 2, 2019]

(b) Beginning July 1, 1993, moneys in the Fund shall be expended exclusively for the purpose of paying refunds payable because of overpayment of franchise taxes, penalties, or interest under Sections 13.70, 15.35, 15.45, 15.65, 15.75, and 16.05 of this Act and making transfers authorized under this Section. Refunds in accordance with the provisions of subsections (f) and (g) of Section 1.15 and Section 1.17 of this Act may be made from the Fund only to the extent that amounts collected under Sections 15.35, 15.45, 15.65, and 15.75 of this Act have been deposited in the Fund and remain available. On or before August 31 of each year, the balance in the Fund in excess of \$100,000 shall be transferred to the General Revenue Fund. Notwithstanding the provisions of this subsection, for the period commencing on or after July 1, 2022, amounts in the fund shall not be transferred to the General Revenue Fund and shall be used to pay refunds in accordance with the provisions of this Act. Within a reasonable time after December 31, 2022, the Secretary of State shall direct and the Comptroller shall order transferred to the General Revenue Fund all amounts remaining in the fund.

(c) This Act shall constitute an irrevocable and continuing appropriation from the Corporate Franchise Tax Refund Fund for the purpose of paying refunds upon the order of the Secretary of State in accordance with the provisions of this Section.

(d) This Section is repealed on December 31, 2022.
(Source: P.A. 99-620, eff. 1-1-17.)

ARTICLE 99. EFFECTIVE DATE

Section 999. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 689**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 690

A bill for AN ACT concerning revenue.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 690

House Amendment No. 2 to SENATE BILL NO. 690

House Amendment No. 3 to SENATE BILL NO. 690

Passed the House, as amended, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 690

AMENDMENT NO. 1. Amend Senate Bill 690 by replacing everything after the enacting clause with the following:

"Section 5. The Property Tax Code is amended by changing Section 1-55 as follows:
(35 ILCS 200/1-55)

Sec. 1-55. 33 1/3%. One-third of ~~the~~ the fair cash value of property, as determined by the Department's sales ratio studies for the 3 most recent years preceding the assessment year, adjusted to take into account any changes in assessment levels implemented since the data for the studies were collected.

(Source: P.A. 86-1481; 87-877; 88-455.)"

AMENDMENT NO. 2 TO SENATE BILL 690

AMENDMENT NO. 2. Amend Senate Bill 690, AS AMENDED, by replacing everything after the enacting clause with the following:

"Article 5. Leveling the Playing Field for Illinois Retail Act

Section 5-1. Short title. This Article may be cited as the Leveling the Playing Field for Illinois Retail Act. References in this Article to "this Act" means this Article.

[June 2, 2019]

Section 5-5. Findings. The General Assembly finds that certified service providers and certified automated systems simplify use and occupation tax compliance for out-of-state sellers, which fosters higher levels of accurate tax collection and remittance and generates administrative savings and new marginal tax revenue for both State and local taxing jurisdictions. By making the services of certified service providers and certified automated systems available to remote retailers without charge as provided in this Act, the State will substantially eliminate the burden on those remote retailers to collect and remit both State and local taxing jurisdiction use and occupation taxes. While providing a means for remote retailers to collect and remit tax on an even basis with Illinois retailers, this Act also protects existing local tax revenue streams by retaining origin sourcing for all transactions by retailers maintaining a physical presence in Illinois.

Section 5-10. Definitions. As used in this Act:

"Certified service provider" means an agent certified by the Department to perform the remote retailer's use and occupation tax functions, as outlined in the contract between the State and the certified service provider.

"Certified automated system" means an automated software system that is certified by the State as meeting all performance and tax calculation standards required by Department rules.

"Department" means the Department of Revenue.

"Remote retailer" means a retailer as defined in Section 1 of the Retailers' Occupation Tax Act that has an obligation to collect State and local retailers' occupation tax under subsection (b) of Section 2 of the Retailers' Occupation Tax Act.

"Retailers' occupation tax" means the tax levied under the Retailers' Occupation Tax Act and all applicable local retailers' occupation taxes collected by the Department in conjunction with the State retailers' occupation tax.

Section 5-15. Certification of certified service providers. The Department shall, no later than December 31, 2019, establish standards for the certification of certified service providers and certified automated systems and may act jointly with other states to accomplish these ends.

The Department may take other actions reasonably required to implement the provisions of this Act, including the adoption of rules and emergency rules and the procurement of goods and services, which also may be coordinated jointly with other states.

Section 5-20. Provision of databases. The Department shall, no later than July 1, 2020:

- (1) provide and maintain an electronic, downloadable database of defined product categories that identifies the taxability of each category;
- (2) provide and maintain an electronic, downloadable database of all retailers' occupation tax rates for the jurisdictions in this State that levy a retailers' occupation tax; and
- (3) provide and maintain an electronic, downloadable database that assigns delivery addresses in this State to the applicable taxing jurisdictions.

Section 5-25. Certification. The Department shall, no later than July 1, 2020:

- (1) provide uniform minimum standards that companies wishing to be designated as a certified service provider in this State must meet; those minimum standards must include an expedited certification process for companies that have been certified in at least 5 other states;
- (2) provide uniform minimum standards that certified automated systems must meet; those minimum standards may include an expedited certification process for automated systems that have been certified in at least 5 other states;
- (3) establish a certification process to review the systems of companies wishing to be designated as a certified service provider in this State or of companies wishing to use a certified automated process; this certification process shall provide that companies that meet all required standards and whose systems have been tested and approved by the Department for properly determining the taxability of items to be sold, the correct tax rate to apply to a transaction, and the appropriate jurisdictions to which the tax shall be remitted, shall be certified;
- (4) enter into a contractual relationship with each company that qualifies as a certified service provider or that will be using a certified automated system; those contracts shall, at a minimum, provide:
 - (A) the responsibilities of the certified service provider and the remote retailers

that contract with the certified service provider or the user of a certified automated system related to liability for proper collection and remittance of use and occupation taxes;

(B) the responsibilities of the certified service provider and the remote retailers that contract with the certified service provider or the user of a certified service provider related to record keeping and auditing;

(C) for the protection and confidentiality of tax information; and

(D) compensation equal to 1.75% of the tax dollars collected and remitted to the

State by a certified service provider on a timely basis on behalf of remote retailers; remote retailers using a certified service provider may not claim the vendor's discount allowed under the Retailers' Occupation Tax Act or the Service Occupation Tax Act.

The provisions of this Section shall supersede the provisions of the Illinois Procurement Code.

Section 5-30. Relief from liability. Beginning January 1, 2020, remote retailers using certified service providers or certified automated systems and their certified service providers or certified automated systems providers are relieved from liability to the State for having charged and collected the incorrect amount of use or occupation tax resulting from a certified service provider or certified automated system relying, at the time of the sale, on: (1) erroneous data provided by the State in database files on tax rates, boundaries, or taxing jurisdictions; or (2) erroneous data provided by the State concerning the taxability of products and services.

The Department shall, to the best of its ability, assign addresses to the proper local taxing jurisdiction using a 9-digit zip code identifier. On an annual basis, the Department shall make available to local taxing jurisdictions the taxing jurisdiction boundaries determined by the Department for their verification. If a jurisdiction fails to verify their taxing jurisdiction boundaries to the Department in any given year, the Department shall assign retailers' occupation tax revenue from remote retail sales based on its best information. In that case, tax revenues from remote retail sales remitted to a taxing jurisdiction based on erroneous local tax boundary information will be assigned to the correct taxing jurisdiction on a prospective basis upon notice of the boundary error from a local taxing jurisdiction. No certified service provider, remote retailer using a certified automated system, or taxpayer shall be liable under the Illinois False Claims Act for any error in the amount of tax computed or remitted in accordance with this Act. No certified service provider or remote retailer using a certified automated system shall be subject to a class action brought on behalf of customers and arising from, or in any way related to, an overpayment of retailers' occupation tax collected by the certified service provider if, at the time of the sale, they relied on information provided by the Department, regardless of whether that claim is characterized as a tax refund claim. Nothing in this Section affects a customer's right to seek a refund from the remote retailer as provided in this Act.

Section 5-97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Article 10. Parking Excise Tax Act

Section 10-1. Short title. This Article may be cited as the Parking Excise Tax Act. References in this Article to "this Act" mean this Article.

Section 10-5. Definitions.

"Booking intermediary" means any person or entity that facilitates the processing and fulfillment of reservation transactions between an operator and a person or entity desiring parking in a parking lot or garage of that operator.

"Charge or fee paid for parking" means the gross amount of consideration for the use or privilege of parking a motor vehicle in or upon any parking lot or garage in the State, collected by an operator and valued in money, whether received in money or otherwise, including cash, credits, property, and services, determined without any deduction for costs or expenses, but not including charges that are added to the charge or fee on account of the tax imposed by this Act or on account of any other tax imposed on the charge or fee. "Charge or fee paid for parking" excludes separately stated charges not for the use or privilege of parking and excludes amounts retained by or paid to a booking intermediary for services provided by the booking intermediary. If any separately stated charge is not optional, it shall be presumed that it is part of the charge for the use or privilege of parking.

"Department" means the Department of Revenue.

"Operator" means any person who engages in the business of operating a parking area or garage, or who, directly or through an agreement or arrangement with another party, collects the consideration for parking or storage of motor vehicles, recreational vehicles, or other self-propelled vehicles, at that parking place. This includes, but is not limited to, any facilitator or aggregator that collects from the purchaser the charge or fee paid for parking. "Operator" does not include a bank, credit card company, payment processor, booking intermediary, or person whose involvement is limited to performing functions that are similar to those performed by a bank, credit card company, payment processor, or booking intermediary.

"Parking area or garage" means any real estate, building, structure, premises, enclosure or other place, whether enclosed or not, except a public way, within the State, where motor vehicles, recreational vehicles, or other self-propelled vehicles, are stored, housed or parked for hire, charge, fee or other valuable consideration in a condition ready for use, or where rent or compensation is paid to the owner, manager, operator or lessee of the premises for the housing, storing, sheltering, keeping or maintaining motor vehicles, recreational vehicles, or other self-propelled vehicles. "Parking area or garage" includes any parking area or garage, whether the vehicle is parked by the owner of the vehicle or by the operator or an attendant.

"Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court.

"Purchase price" means the consideration paid for the purchase of a parking space in a parking area or garage, valued in money, whether received in money or otherwise, including cash, gift cards, credits, and property, and shall be determined without any deduction on account of the cost of materials used, labor or service costs, or any other expense whatsoever.

"Purchase price" includes any and all charges that the recipient pays related to or incidental to obtaining the use or privilege of using a parking space in a parking area or garage, including but not limited to any and all related markups, service fees, convenience fees, facilitation fees, cancellation fees, overtime fees, or other such charges, regardless of terminology. However, "purchase price" shall not include consideration paid for:

(1) optional, separately stated charges not for the use or privilege of using a parking space in the parking area or garage;

(2) any charge for a dishonored check;

(3) any finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment;

(4) any purchase by a purchaser if the operator is prohibited by federal or State

Constitution, treaty, convention, statute or court decision from collecting the tax from such purchaser;

(5) the isolated or occasional sale of parking spaces subject to tax under this Act by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling of parking spaces; and

(6) any amounts added to a purchaser's bills because of charges made pursuant to the tax imposed by this Act. If credit is extended, then the amount thereof shall be included only as and when payments are made.

"Purchaser" means any person who acquires a parking space in a parking area or garage for use for valuable consideration.

"Use" means the exercise by any person of any right or power over, or the enjoyment of, a parking space in a parking area or garage subject to tax under this Act.

Section 10-10. Imposition of tax; calculation of tax.

(a) Beginning on January 1, 2020, a tax is imposed on the privilege of using in this State a parking space in a parking area or garage for the use of parking one or more motor vehicles, recreational vehicles, or other self-propelled vehicles, at the rate of:

(1) 6% of the purchase price for a parking space paid for on an hourly, daily, or weekly basis; and

(2) 9% of the purchase price for a parking space paid for on a monthly or annual basis.

(b) The tax shall be collected from the purchaser by the operator.

(c) An operator that has paid or remitted the tax imposed by this Act to another operator in connection with the same parking transaction, or the use of the same parking space, that is subject to tax under this Act, shall be entitled to a credit for such tax paid or remitted against the amount of tax owed under this Act, provided that the other operator is registered under this Act. The operator claiming the credit shall have the burden of proving it is entitled to claim a credit.

(d) If any operator erroneously collects tax or collects more from the purchaser than the purchaser's liability for the transaction, the purchaser shall have a legal right to claim a refund of such amount from the operator. However, if such amount is not refunded to the purchaser for any reason, the operator is liable to pay such amount to the Department.

(e) The tax imposed by this Section is not imposed with respect to any transaction in interstate commerce, to the extent that the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

Section 10-15. Filing of returns and deposit of proceeds. On or before the last day of each calendar month, every operator engaged in the business of providing to purchasers parking areas and garages in this State during the preceding calendar month shall file a return with the Department, stating:

- (1) the name of the operator;
- (2) the address of its principal place of business and the address of the principal place of business from which it provides parking areas and garages in this State;
- (3) the total amount of receipts received by the operator during the preceding calendar month or quarter, as the case may be, from sales of parking spaces to purchasers in parking areas or garages during the preceding calendar month or quarter;
- (4) deductions allowed by law;
- (5) the total amount of receipts received by the operator during the preceding calendar month or quarter upon which the tax was computed;
- (6) the amount of tax due; and
- (7) such other reasonable information as the Department may require.

If an operator ceases to engage in the kind of business that makes it responsible for filing returns under this Act, then that operator shall file a final return under this Act with the Department on or before the last day of the month after discontinuing such business.

All returns required to be filed and payments required to be made under this Act shall be by electronic means. Taxpayers who demonstrate hardship in filing or paying electronically may petition the Department to waive the electronic filing or payment requirement, or both. The Department may require a separate return for the tax under this Act or combine the return for the tax under this Act with the return for other taxes.

If the same person has more than one business registered with the Department under separate registrations under this Act, that person shall not file each return that is due as a single return covering all such registered businesses but shall file separate returns for each such registered business.

If the operator is a corporation, the return filed on behalf of that corporation shall be signed by the president, vice-president, secretary, or treasurer, or by a properly accredited agent of such corporation.

The operator filing the return under this Act shall, at the time of filing the return, pay to the Department the amount of tax imposed by this Act less a discount of 1.75%, not to exceed \$1,000 per month, which is allowed to reimburse the operator for the expenses incurred in keeping records, preparing and filing returns, remitting the tax, and supplying data to the Department on request.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, as shown on an original return, the Department may authorize the taxpayer to credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's discount shall be reduced by an amount equal to the difference between the discount as applied to the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

Section 10-20. Exemptions. The tax imposed by this Act shall not apply to:

(1) parking in a parking area or garage operated by the federal government or its instrumentalities that has been issued an active tax exemption number by the Department under Section 1g of the Retailers' Occupation Tax Act; for this exemption to apply, the parking area or garage must be operated by the federal government or its instrumentalities; the exemption under this paragraph (1) does not apply if the parking area or garage is operated by a third party, whether under a lease or other contractual arrangement, or any other manner whatsoever;

(2) residential off-street parking for home or apartment tenants or condominium occupants, if the arrangement for such parking is provided in the home or apartment lease or in a separate writing between the landlord and tenant, or in a condominium agreement between the condominium association and the owner, occupant, or guest of a unit, whether the parking charge is payable to the landlord, condominium association, or to the operator of the parking spaces;

(3) parking by hospital employees in a parking space that is owned and operated by the hospital for which they work; and

(4) parking in a parking area or garage where 3 or fewer motor vehicles are stored, housed, or parked for hire, charge, fee or other valuable consideration, if the operator of the parking area or garage does not act as the operator of more than a total of 3 parking spaces located in the State; if any operator of parking areas or garages, including any facilitator or aggregator, acts as an operator of more than 3 parking spaces in total that are located in the State, then this exemption shall not apply to any of those spaces.

Section 10-25. Collection of tax.

(a) Beginning with bills issued or charges collected for a purchase of a parking space in a parking area or garage on and after January 1, 2020, the tax imposed by this Act shall be collected from the purchaser by the operator at the rate stated in Section 10-10 and shall be remitted to the Department as provided in this Act. All charges for parking spaces in a parking area or garage are presumed subject to tax collection. Operators shall collect the tax from purchasers by adding the tax to the amount of the purchase price received from the purchaser. The tax imposed by the Act shall when collected be stated as a distinct item separate and apart from the purchase price of the service subject to tax under this Act. However, where it is not possible to state the tax separately the Department may by rule exempt such purchases from this requirement so long as purchasers are notified by language on the invoice or notified by a sign that the tax is included in the purchase price.

(b) Any person purchasing a parking space in a parking area or garage subject to tax under this Act as to which there has been no charge made to him of the tax imposed by Section 10-10, shall make payment of the tax imposed by Section 10-10 of this Act in the form and manner provided by the Department, such payment to be made to the Department in the manner and form required by the Department not later than the 20th day of the month following the month of purchase of the parking space.

Section 10-30. Registration of operators.

(a) A person who engages in business as an operator of a parking area or garage in this State shall register with the Department. Application for a certificate of registration shall be made to the Department, by electronic means, in the form and manner prescribed by the Department and shall contain any reasonable information the Department may require. Upon receipt of the application for a certificate of registration in proper form and manner, the Department shall issue to the applicant a certificate of registration. Operators who demonstrate that they do not have access to the Internet or demonstrate hardship in applying electronically may petition the Department to waive the electronic application requirements.

(b) The Department may refuse to issue or reissue a certificate of registration to any applicant for the reasons set forth in Section 2505-380 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(c) Any person aggrieved by any decision of the Department under this Section may, within 20 days after notice of such decision, protest and request a hearing, whereupon the Department shall give notice to such person of the time and place fixed for such hearing and shall hold a hearing in conformity with the provisions of this Act and then issue its final administrative decision in the matter to such person. In the absence of such a protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

Section 10-35. Revocation of certificate of registration.

(a) The Department may, after notice and a hearing as provided in this Act, revoke the certificate of registration of any operator who violates any of the provisions of this Act or any rule adopted pursuant to this Act. Before revocation of a certificate of registration, the Department shall, within 90 days after non-compliance and at least 7 days prior to the date of the hearing, give the operator so accused notice in writing of the charge against him or her, and on the date designated shall conduct a hearing upon this matter. The lapse of such 90-day period shall not preclude the Department from conducting revocation proceedings at a later date if necessary. Any hearing held under this Section shall be conducted by the Director or by any officer or employee of the Department designated in writing by the Director.

(b) The Department may revoke a certificate of registration for the reasons set forth in Section 2505-380 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(c) Upon the hearing of any such proceeding, the Director or any officer or employee of the Department designated in writing by the Director may administer oaths, and the Department may procure by its

subpoena the attendance of witnesses and, by its subpoena duces tecum, the production of relevant books and papers. Any circuit court, upon application either of the operator or of the Department, may, by order duly entered, require the attendance of witnesses and the production of relevant books and papers before the Department in any hearing relating to the revocation of certificates of registration. Upon refusal or neglect to obey the order of the court, the court may compel obedience thereof by proceedings for contempt.

(d) The Department may, by application to any circuit court, obtain an injunction requiring any person who engages in business as an operator under this Act to obtain a certificate of registration. Upon refusal or neglect to obey the order of the court, the court may compel obedience by proceedings for contempt.

Section 10-40. Valet services.

(a) Persons engaged in the business of providing valet services are subject to the tax imposed by this Act on the purchase price received in connection with their valet parking operations.

(b) Persons engaged in the business of providing valet services are entitled to take the credit in subsection (c) of Section 10-10.

(c) Tips received by persons parking cars for persons engaged in the business of providing valet services are not subject to the tax imposed by this Act if the tips are retained by the person receiving the tip. If the tips are turned over to the valet business, the tips shall be included in the purchase price.

Section 10-45. Tax collected as debt owed to State. The tax herein required to be collected by any operator or valet business and any such tax collected by that person, shall constitute a debt owed by that person to this State.

Section 10-50. Incorporation by reference. All of the provisions of Sections 1, 2a, 2b, 3 (except provisions relating to transaction returns and except for provisions that are inconsistent with this Act), in respect to all provisions therein other than the State rate of tax) 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act that are not inconsistent with this Act, and all provisions of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included in this Act.

Section 10-55. Deposit of proceeds from parking excise tax. The moneys received by the Department from the tax imposed by this Act shall be deposited into the Capital Projects Fund.

Section 10-60. Illinois False Claims Act. No acts or omissions by an operator regarding the charging of taxes under this Act shall be a basis for filing an action by a private person under the Illinois False Claims Act.

The Department shall have the sole authority to bring an administrative action resulting from information provided by any person alleging a false claim, statement or records, as defined in Section 3 of the Illinois False Claims Act pertaining to any tax administered by the Department under this Act.

Article 15. Amending Provisions

Section 15-5. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The

adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption

of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 this amendatory Act of the 100th General Assembly, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

~~(ff) (ee)~~ In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 this amendatory Act of the 100th General Assembly, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection ~~(ff) (ee)~~. The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection ~~(ff) (ee)~~. The adoption of emergency rules authorized by this subsection ~~(ff) (ee)~~ is deemed to be necessary for the public interest, safety, and welfare.

~~(gg) (ff)~~ In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 this amendatory Act of the 101st General Assembly, emergency rules may be adopted by the Department of Labor in accordance with this subsection ~~(gg) (ff)~~ to implement the changes made by Public Act 101-1 this amendatory Act of the 101st General Assembly to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection ~~(gg) (ff)~~ is deemed to be necessary for the public interest, safety, and welfare.

(hh) In order to provide for the expeditious and timely implementation of the provisions of the Leveling the Playing Field for Illinois Retail Act, emergency rules may be adopted in accordance with this subsection (hh) to implement the changes made by the Leveling the Playing Field for Illinois Retail Act. The adoption of emergency rules authorized by this subsection (hh) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

Section 15-10. The State Finance Act is amended by adding Sections 5.891, 5.893, and 5.894 as follows:
(30 ILCS 105/5.891 new)

Sec. 5.891. The Transportation Renewal Fund.

(30 ILCS 105/5.893 new)

Sec. 5.893. The Regional Transportation Authority Capital Improvement Fund.

(30 ILCS 105/5.894 new)

Sec. 5.894. The Downstate Mass Transportation Capital Improvement Fund.

Section 15-15. The Use Tax Act is amended by changing Sections 2 as follows:
(35 ILCS 105/2) (from Ch. 120, par. 439.2)

Sec. 2. Definitions.

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of such property in any form as tangible personal property in the regular course of business to the extent that such property is not first subjected to a use for which it was purchased, and does not include the use of such property by its owner for demonstration purposes: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. "Use" does not mean the demonstration use or interim use of tangible personal property by a retailer before he sells that tangible personal property. For watercraft or aircraft, if the period of demonstration use or interim use by the retailer exceeds 18 months, the retailer shall pay on the retailers' original cost price the tax imposed by this Act, and no credit for that tax is permitted if the watercraft or aircraft is subsequently sold by the retailer. "Use" does not mean the physical incorporation of tangible personal property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, into other tangible personal property (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing.

"Watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

"Purchase at retail" means the acquisition of the ownership of or title to tangible personal property through a sale at retail.

"Purchaser" means anyone who, through a sale at retail, acquires the ownership of tangible personal property for a valuable consideration.

"Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold is considered to be an intentionally produced by-product of manufacturing. "Sale at retail" includes any such transfer made for resale unless made in compliance with Section 2c of the Retailers' Occupation Tax Act, as incorporated by reference into Section 12 of this Act. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price are sales.

"Sale at retail" shall also be construed to include any Illinois florist's sales transaction in which the purchase order is received in Illinois by a florist and the sale is for use or consumption, but the Illinois florist has a florist in another state deliver the property to the purchaser or the purchaser's donee in such other state.

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of tangible personal property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property other than as hereinafter provided, and services, but, prior to January 1, 2020, not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold; beginning January 1, 2020, "selling price" includes the portion of the value of or credit given for traded-in tangible personal property of like kind and character as that which is being sold that exceeds \$10,000. "Selling price" ~~and~~ shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's tax liability under the "Retailers' Occupation Tax Act", or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the seller's duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (A) is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat; (B) is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers; or (C) has a gross vehicle weight rating of 8,000 pounds or less or (2) is a motor vehicle of the first division, "selling price" or "amount of sale" means the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease. Also included in the selling price is any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. For sales that occur in Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor is not required to collect the tax imposed by this Act or to pay the tax imposed by the Retailers' Occupation Tax Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only allowed if the return is timely filed and for amounts timely paid. The "selling price" of a motor vehicle that is sold on or after January 1, 2015 for the purpose of leasing for a defined period of longer than one year shall not be reduced by the value of or credit given for traded-in tangible personal property owned by the lessor, nor shall it be reduced by the value of or credit given for traded-in tangible personal property owned by the lessee, regardless of whether the trade-in value thereof is assigned by the lessee to the lessor. In the case of a motor vehicle that is sold for the purpose of leasing for a defined period of longer than one year, the sale occurs at the time of the delivery of the vehicle, regardless of the due date of any lease payments. A lessor who incurs a Retailers' Occupation Tax liability on the sale of a motor vehicle coming off lease may not take a credit against that liability for the Use Tax the lessor paid upon the purchase of the motor vehicle (or for any tax the lessor paid with respect to any amount received by the lessor from the lessee for the

leased vehicle that was not calculated at the time the lease was executed) if the selling price of the motor vehicle at the time of purchase was calculated using the definition of "selling price" as defined in this paragraph. Notwithstanding any other provision of this Act to the contrary, lessors shall file all returns and make all payments required under this paragraph to the Department by electronic means in the manner and form as required by the Department. This paragraph does not apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the initial defined period.

The phrase "like kind and character" shall be liberally construed (including but not limited to any form of motor vehicle for any form of motor vehicle, or any kind of farm or agricultural implement for any other kind of farm or agricultural implement), while not including a kind of item which, if sold at retail by that retailer, would be exempt from retailers' occupation tax and use tax as an isolated or occasional sale.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Section.

A person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail is a retailer hereunder with respect to such sales (and not primarily in a service occupation) notwithstanding the fact that such person designs and produces such tangible personal property on special order for the purchaser and in such a way as to render the property of value only to such purchaser, if such tangible personal property so produced on special order serves substantially the same function as stock or standard items of tangible personal property that are sold at retail.

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is a retailer with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by schools at retail to students is not "primarily for the purposes of" the school which does such selling. This paragraph does not apply to nor subject to taxation occasional dinners, social or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

A person who is the recipient of a grant or contract under Title VII of the Older Americans Act of 1965 (P.L. 92-258) and serves meals to participants in the federal Nutrition Program for the Elderly in return for contributions established in amount by the individual participant pursuant to a schedule of suggested fees as provided for in the federal Act is not a retailer under this Act with respect to such transactions.

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are retailers hereunder when engaged in such business.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail or a sale through a bulk vending machine does not make such person a retailer hereunder. However, any person who is engaged in a business which is not subject to the tax imposed by the "Retailers' Occupation Tax Act" because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is a retailer to the extent of the value of the tangible personal property so transferred. If, in such transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purposes of this Act, is the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property.

"Retailer maintaining a place of business in this State", or any like term, means and includes any of the following retailers:

- (1) A retailer having or maintaining within this State, directly or by a subsidiary, an

office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State. However, the ownership of property that is located at the premises of a printer with which the retailer has contracted for printing and that consists of the final printed product, property that becomes a part of the final printed product, or copy from which the printed product is produced shall not result in the retailer being deemed to have or maintain an office, distribution house, sales house, warehouse, or other place of business within this State.

(1.1) ~~(Blank). A retailer having a contract with a person located in this State under which the person, for a commission or other consideration based upon the sale of tangible personal property by the retailer, directly or indirectly refers potential customers to the retailer by providing to the potential customers a promotional code or other mechanism that allows the retailer to track purchases referred by such persons. Examples of mechanisms that allow the retailer to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers who are referred to the retailer by all persons in this State under such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December. A retailer meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods.~~

(1.2) ~~(Blank). Beginning July 1, 2011, a retailer having a contract with a person located in this State under which:~~

~~(A) the retailer sells the same or substantially similar line of products as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and~~

~~(B) the retailer provides a commission or other consideration to the person located in this State based upon the sale of tangible personal property by the retailer.~~

~~The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers in this State under all such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December.~~

~~(2) (Blank). A retailer soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State.~~

~~(3) (Blank). A retailer, pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions.~~

~~(4) (Blank). A retailer soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities.~~

~~(5) (Blank). A retailer that is owned or controlled by the same interests that own or control any retailer engaging in business in the same or similar line of business in this State.~~

~~(6) (Blank). A retailer having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section.~~

~~(7) (Blank). A retailer, pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State.~~

~~(8) (Blank). A retailer engaging in activities in Illinois, which activities in the state in which the retail business engaging in such activities is located would constitute maintaining a place of business in that state.~~

~~(9) Beginning October 1, 2018 through June 30, 2020, a retailer making sales of tangible personal property to~~

~~purchasers in Illinois from outside of Illinois if:~~

~~(A) the cumulative gross receipts from sales of tangible personal property to~~

purchasers in Illinois are \$100,000 or more; or

(B) the retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

The retailer shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the retailer meets the criteria of either subparagraph (A) or (B) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the retailer shall determine whether the retailer met the criteria of either subparagraph (A) or (B) during the preceding 12-month period. If the retailer met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a retailer that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either subparagraph (A) or (B) during the preceding 12-month period, the retailer shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

"Bulk vending machine" means a vending machine, containing unsorted confections, nuts, toys, or other items designed primarily to be used or played with by children which, when a coin or coins of a denomination not larger than \$0.50 are inserted, are dispensed in equal portions, at random and without selection by the customer.

(Source: P.A. 99-78, eff. 7-20-15; 100-587, eff. 6-4-18.)

Section 15-30. The Retailers' Occupation Tax Act is amended by changing Sections 1, 2, 2-12, and 2a as follows:

(35 ILCS 120/1) (from Ch. 120, par. 440)

Sec. 1. Definitions. "Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use or consumption, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or byproduct of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold is considered to be an intentionally produced byproduct of manufacturing. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price shall be deemed to be sales.

"Sale at retail" shall be construed to include any transfer of the ownership of or title to tangible personal property to a purchaser, for use or consumption by any other person to whom such purchaser may transfer the tangible personal property without a valuable consideration, and to include any transfer, whether made for or without a valuable consideration, for resale in any form as tangible personal property unless made in compliance with Section 2c of this Act.

Sales of tangible personal property, which property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, goes into and forms a part of tangible personal property subsequently the subject of a "Sale at retail", are not sales at retail as defined in this Act: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or byproduct of manufacturing.

"Sale at retail" shall be construed to include any Illinois florist's sales transaction in which the purchase order is received in Illinois by a florist and the sale is for use or consumption, but the Illinois florist has a florist in another state deliver the property to the purchaser or the purchaser's donee in such other state.

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of tangible personal property.

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is engaged in the business of selling tangible personal property at retail with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by schools at retail to students is not "primarily for the purposes of" the school which does such selling. The provisions of this paragraph shall not apply to nor subject to taxation occasional dinners, socials or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

A person who is the recipient of a grant or contract under Title VII of the Older Americans Act of 1965 (P.L. 92-258) and serves meals to participants in the federal Nutrition Program for the Elderly in return for contributions established in amount by the individual participant pursuant to a schedule of suggested fees as provided for in the federal Act is not engaged in the business of selling tangible personal property at retail with respect to such transactions.

"Purchaser" means anyone who, through a sale at retail, acquires the ownership of or title to tangible personal property for a valuable consideration.

"Reseller of motor fuel" means any person engaged in the business of selling or delivering or transferring title of motor fuel to another person other than for use or consumption. No person shall act as a reseller of motor fuel within this State without first being registered as a reseller pursuant to Section 2c or a retailer pursuant to Section 2a.

"Selling price" or the "amount of sale" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property, other than as hereinafter provided, and services, but prior to January 1, 2020, not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold; beginning January 1, 2020, "selling price" includes the portion of the value of or credit given for traded-in tangible personal property of like kind and character as that which is being sold that exceeds \$10,000. "Selling price" ~~and~~ shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include charges that are added to prices by sellers on account of the seller's tax liability under this Act, or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by the Use Tax Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the sellers' duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (A) is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat; (B) is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers; or (C) has a gross vehicle weight rating of 8,000 pounds or less or (2) is a motor vehicle of the first division, "selling price" or "amount of sale" means the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease. Also included in the selling price is any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. For sales that occur in Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor

is not required to collect the tax imposed by the Use Tax Act or to pay the tax imposed by this Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only allowed if the return is timely filed and for amounts timely paid. The "selling price" of a motor vehicle that is sold on or after January 1, 2015 for the purpose of leasing for a defined period of longer than one year shall not be reduced by the value of or credit given for traded-in tangible personal property owned by the lessor, nor shall it be reduced by the value of or credit given for traded-in tangible personal property owned by the lessee, regardless of whether the trade-in value thereof is assigned by the lessee to the lessor. In the case of a motor vehicle that is sold for the purpose of leasing for a defined period of longer than one year, the sale occurs at the time of the delivery of the vehicle, regardless of the due date of any lease payments. A lessor who incurs a Retailers' Occupation Tax liability on the sale of a motor vehicle coming off lease may not take a credit against that liability for the Use Tax the lessor paid upon the purchase of the motor vehicle (or for any tax the lessor paid with respect to any amount received by the lessor from the lessee for the leased vehicle that was not calculated at the time the lease was executed) if the selling price of the motor vehicle at the time of purchase was calculated using the definition of "selling price" as defined in this paragraph. Notwithstanding any other provision of this Act to the contrary, lessors shall file all returns and make all payments required under this paragraph to the Department by electronic means in the manner and form as required by the Department. This paragraph does not apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the initial defined period.

The phrase "like kind and character" shall be liberally construed (including but not limited to any form of motor vehicle for any form of motor vehicle, or any kind of farm or agricultural implement for any other kind of farm or agricultural implement), while not including a kind of item which, if sold at retail by that retailer, would be exempt from retailers' occupation tax and use tax as an isolated or occasional sale.

"Gross receipts" from the sales of tangible personal property at retail means the total selling price or the amount of such sales, as hereinbefore defined. In the case of charge and time sales, the amount thereof shall be included only as and when payments are received by the seller. Receipts or other consideration derived by a seller from the sale, transfer or assignment of accounts receivable to a wholly owned subsidiary will not be deemed payments prior to the time the purchaser makes payment on such accounts.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail, or a sale through a bulk vending machine, does not constitute engaging in a business of selling such tangible personal property at retail within the meaning of this Act; provided that any person who is engaged in a business which is not subject to the tax imposed by this Act because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate or a construction contract to engineer, install, and maintain an integrated system of products, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate or was not engineered and installed, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is engaged in the business of selling tangible personal property at retail to the extent of the value of the tangible personal property so transferred. If, in such a transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purpose of this Act, shall be the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal

property. Construction contracts for the improvement of real estate consisting of engineering, installation, and maintenance of voice, data, video, security, and all telecommunication systems do not constitute engaging in a business of selling tangible personal property at retail within the meaning of this Act if they are sold at one specified contract price.

A person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail is a person engaged in the business of selling tangible personal property at retail hereunder with respect to such sales (and not primarily in a service occupation) notwithstanding the fact that such person designs and produces such tangible personal property on special order for the purchaser and in such a way as to render the property of value only to such purchaser, if such tangible personal property so produced on special order serves substantially the same function as stock or standard items of tangible personal property that are sold at retail.

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are engaged in the business of selling such property at retail and shall be liable for and shall pay the tax imposed by this Act on the basis of the retail value of the property transferred upon redemption of such stamps.

"Bulk vending machine" means a vending machine, containing unsorted confections, nuts, toys, or other items designed primarily to be used or played with by children which, when a coin or coins of a denomination not larger than \$0.50 are inserted, are dispensed in equal portions, at random and without selection by the customer.

"Remote retailer" means a retailer located outside of this State that does not maintain within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent is located here permanently or temporarily or whether such retailer or subsidiary is licensed to do business in this State.

(Source: P.A. 98-628, eff. 1-1-15; 98-1080, eff. 8-26-14.)

(35 ILCS 120/2) (from Ch. 120, par. 441)

Sec. 2. Tax imposed.

(a) A tax is imposed upon persons engaged in the business of selling at retail tangible personal property, including computer software, and including photographs, negatives, and positives that are the product of photoprocessing, but not including products of photoprocessing produced for use in motion pictures for public commercial exhibition. Beginning January 1, 2001, prepaid telephone calling arrangements shall be considered tangible personal property subject to the tax imposed under this Act regardless of the form in which those arrangements may be embodied, transmitted, or fixed by any method now known or hereafter developed. Sales of (1) electricity delivered to customers by wire; (2) natural or artificial gas that is delivered to customers through pipes, pipelines, or mains; and (3) water that is delivered to customers through pipes, pipelines, or mains are not subject to tax under this Act. The provisions of this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this Act.

(b) Beginning on July 1, 2020, a remote retailer is engaged in the occupation of selling at retail in Illinois for purposes of this Act, if:

(1) the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois are \$100,000 or more; or

(2) the retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

Remote retailers that meet or exceed the threshold in either (1) or (2) above shall be liable for all applicable State and locally imposed retailers' occupation taxes on all retail sales to Illinois purchasers.

The remote retailer shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) of this subsection for the preceding 12-month period. If the retailer meets the criteria of either paragraph (1) or (2) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and all retailers' occupation tax imposed by local taxing jurisdictions in Illinois, provided such local taxes are administered by the Department, and to file all applicable returns for one year. At the end of that one-year period, the retailer shall determine whether the retailer met the criteria of either paragraph (1) or (2) for the preceding 12-month period. If the retailer met the criteria in either paragraph (1) or (2) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit all applicable State and local retailers' occupation taxes and file returns for the subsequent year. If, at the end of a one-year period, a retailer that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either paragraph (1) or (2) during the preceding 12-month period, then the retailer shall subsequently determine on a quarterly basis, ending on the last day of

March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) for the preceding 12-month period.

(Source: P.A. 98-583, eff. 1-1-14.)

(35 ILCS 120/2-12)

Sec. 2-12. Location where retailer is deemed to be engaged in the business of selling. The purpose of this Section is to specify where a retailer is deemed to be engaged in the business of selling tangible personal property for the purposes of this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, and for the purpose of collecting any other local retailers' occupation tax administered by the Department. This Section applies only with respect to the particular selling activities described in the following paragraphs. The provisions of this Section are not intended to, and shall not be interpreted to, affect where a retailer is deemed to be engaged in the business of selling with respect to any activity that is not specifically described in the following paragraphs.

(1) If a purchaser who is present at the retailer's place of business, having no prior commitment to the retailer, agrees to purchase and makes payment for tangible personal property at the retailer's place of business, then the transaction shall be deemed an over-the-counter sale occurring at the retailer's same place of business where the purchaser was present and made payment for that tangible personal property if the retailer regularly stocks the purchased tangible personal property or similar tangible personal property in the quantity, or similar quantity, for sale at the retailer's same place of business and then either (i) the purchaser takes possession of the tangible personal property at the same place of business or (ii) the retailer delivers or arranges for the tangible personal property to be delivered to the purchaser.

(2) If a purchaser, having no prior commitment to the retailer, agrees to purchase tangible personal property and makes payment over the phone, in writing, or via the Internet and takes possession of the tangible personal property at the retailer's place of business, then the sale shall be deemed to have occurred at the retailer's place of business where the purchaser takes possession of the property if the retailer regularly stocks the item or similar items in the quantity, or similar quantities, purchased by the purchaser.

(3) A retailer is deemed to be engaged in the business of selling food, beverages, or other tangible personal property through a vending machine at the location where the vending machine is located at the time the sale is made if (i) the vending machine is a device operated by coin, currency, credit card, token, coupon or similar device; (2) the food, beverage or other tangible personal property is contained within the vending machine and dispensed from the vending machine; and (3) the purchaser takes possession of the purchased food, beverage or other tangible personal property immediately.

(4) Minerals. A producer of coal or other mineral mined in Illinois is deemed to be engaged in the business of selling at the place where the coal or other mineral mined in Illinois is extracted from the earth. With respect to minerals (i) the term "extracted from the earth" means the location at which the coal or other mineral is extracted from the mouth of the mine, and (ii) a "mineral" includes not only coal, but also oil, sand, stone taken from a quarry, gravel and any other thing commonly regarded as a mineral and extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(5) A retailer selling tangible personal property to a nominal lessee or bailee pursuant to a lease with a dollar or other nominal option to purchase is engaged in the business of selling at the location where the property is first delivered to the lessee or bailee for its intended use.

(6) Beginning on July 1, 2020, for the purposes of determining the correct local retailers' occupation tax rate, retail sales made by a remote retailer that meet or exceed the thresholds established in paragraph (1) or (2) of subsection (b) of Section 2 of this Act shall be deemed to be made at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser.

(Source: P.A. 98-1098, eff. 8-26-14; 99-126, eff. 7-23-15.)

(35 ILCS 120/2a) (from Ch. 120, par. 441a)

Sec. 2a. It is unlawful for any person to engage in the business of selling tangible personal property at retail in this State without a certificate of registration from the Department. Application for a certificate of registration shall be made to the Department upon forms furnished by it. Each such application shall be signed and verified and shall state: (1) the name and social security number of the applicant; (2) the address of his principal place of business; (3) the address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State and the addresses of all other places of business, if any (enumerating such addresses, if any, in a separate list attached to and made a part of the application), from which he engages in the business of selling tangible personal property at

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retail in this State; (4) the name and address of the person or persons who will be responsible for filing returns and payment of taxes due under this Act; (5) in the case of a publicly traded corporation, the name and title of the Chief Financial Officer, Chief Operating Officer, and any other officer or employee with responsibility for preparing tax returns under this Act, and, in the case of all other corporations, the name, title, and social security number of each corporate officer; (6) in the case of a limited liability company, the name, social security number, and FEIN number of each manager and member; and (7) such other information as the Department may reasonably require. The application shall contain an acceptance of responsibility signed by the person or persons who will be responsible for filing returns and payment of the taxes due under this Act. If the applicant will sell tangible personal property at retail through vending machines, his application to register shall indicate the number of vending machines to be so operated. If requested by the Department at any time, that person shall verify the total number of vending machines he or she uses in his or her business of selling tangible personal property at retail.

The Department shall provide by rule for an expedited business registration process for remote retailers required to register and file under subsection (b) of Section 2 who use a certified service provider to file their returns under this Act. Such expedited registration process shall allow the Department to register a taxpayer based upon the same registration information required by the Streamlined Sales Tax Governing Board for states participating in the Streamlined Sales Tax Project.

The Department may deny a certificate of registration to any applicant if a person who is named as the owner, a partner, a manager or member of a limited liability company, or a corporate officer of the applicant on the application for the certificate of registration is or has been named as the owner, a partner, a manager or member of a limited liability company, or a corporate officer on the application for the certificate of registration of another retailer that is in default for moneys due under this Act or any other tax or fee Act administered by the Department. For purposes of this paragraph only, in determining whether a person is in default for moneys due, the Department shall include only amounts established as a final liability within the 20 years prior to the date of the Department's notice of denial of a certificate of registration.

The Department may require an applicant for a certificate of registration hereunder to, at the time of filing such application, furnish a bond from a surety company authorized to do business in the State of Illinois, or an irrevocable bank letter of credit or a bond signed by 2 personal sureties who have filed, with the Department, sworn statements disclosing net assets equal to at least 3 times the amount of the bond to be required of such applicant, or a bond secured by an assignment of a bank account or certificate of deposit, stocks or bonds, conditioned upon the applicant paying to the State of Illinois all moneys becoming due under this Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution. In making a determination as to whether to require a bond or other security, the Department shall take into consideration whether the owner, any partner, any manager or member of a limited liability company, or a corporate officer of the applicant is or has been the owner, a partner, a manager or member of a limited liability company, or a corporate officer of another retailer that is in default for moneys due under this Act or any other tax or fee Act administered by the Department; and whether the owner, any partner, any manager or member of a limited liability company, or a corporate officer of the applicant is or has been the owner, a partner, a manager or member of a limited liability company, or a corporate officer of another retailer whose certificate of registration has been revoked within the previous 5 years under this Act or any other tax or fee Act administered by the Department. If a bond or other security is required, the Department shall fix the amount of the bond or other security, taking into consideration the amount of money expected to become due from the applicant under this Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance, or resolution. The amount of security required by the Department shall be such as, in its opinion, will protect the State of Illinois against failure to pay the amount which may become due from the applicant under this Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution, but the amount of the security required by the Department shall not exceed three times the amount of the applicant's average monthly tax liability, or \$50,000.00, whichever amount is lower.

No certificate of registration under this Act shall be issued by the Department until the applicant provides the Department with satisfactory security, if required, as herein provided for.

Upon receipt of the application for certificate of registration in proper form, and upon approval by the Department of the security furnished by the applicant, if required, the Department shall issue to such applicant a certificate of registration which shall permit the person to whom it is issued to engage in the business of selling tangible personal property at retail in this State. The certificate of registration shall be conspicuously displayed at the place of business which the person so registered states in his application to be the principal place of business from which he engages in the business of selling tangible personal property at retail in this State.

No certificate of registration issued prior to July 1, 2017 to a taxpayer who files returns required by this Act on a monthly basis or renewed prior to July 1, 2017 by a taxpayer who files returns required by this Act on a monthly basis shall be valid after the expiration of 5 years from the date of its issuance or last renewal. No certificate of registration issued on or after July 1, 2017 to a taxpayer who files returns required by this Act on a monthly basis or renewed on or after July 1, 2017 by a taxpayer who files returns required by this Act on a monthly basis shall be valid after the expiration of one year from the date of its issuance or last renewal. The expiration date of a sub-certificate of registration shall be that of the certificate of registration to which the sub-certificate relates. Prior to July 1, 2017, a certificate of registration shall automatically be renewed, subject to revocation as provided by this Act, for an additional 5 years from the date of its expiration unless otherwise notified by the Department as provided by this paragraph. On and after July 1, 2017, a certificate of registration shall automatically be renewed, subject to revocation as provided by this Act, for an additional one year from the date of its expiration unless otherwise notified by the Department as provided by this paragraph.

Where a taxpayer to whom a certificate of registration is issued under this Act is in default to the State of Illinois for delinquent returns or for moneys due under this Act or any other State tax law or municipal or county ordinance administered or enforced by the Department, the Department shall, not less than 60 days before the expiration date of such certificate of registration, give notice to the taxpayer to whom the certificate was issued of the account period of the delinquent returns, the amount of tax, penalty and interest due and owing from the taxpayer, and that the certificate of registration shall not be automatically renewed upon its expiration date unless the taxpayer, on or before the date of expiration, has filed and paid the delinquent returns or paid the defaulted amount in full. A taxpayer to whom such a notice is issued shall be deemed an applicant for renewal. The Department shall promulgate regulations establishing procedures for taxpayers who file returns on a monthly basis but desire and qualify to change to a quarterly or yearly filing basis and will no longer be subject to renewal under this Section, and for taxpayers who file returns on a yearly or quarterly basis but who desire or are required to change to a monthly filing basis and will be subject to renewal under this Section.

The Department may in its discretion approve renewal by an applicant who is in default if, at the time of application for renewal, the applicant files all of the delinquent returns or pays to the Department such percentage of the defaulted amount as may be determined by the Department and agrees in writing to waive all limitations upon the Department for collection of the remaining defaulted amount to the Department over a period not to exceed 5 years from the date of renewal of the certificate; however, no renewal application submitted by an applicant who is in default shall be approved if the immediately preceding renewal by the applicant was conditioned upon the installment payment agreement described in this Section. The payment agreement herein provided for shall be in addition to and not in lieu of the security that may be required by this Section of a taxpayer who is no longer considered a prior continuous compliance taxpayer. The execution of the payment agreement as provided in this Act shall not toll the accrual of interest at the statutory rate.

The Department may suspend a certificate of registration if the Department finds that the person to whom the certificate of registration has been issued knowingly sold contraband cigarettes.

A certificate of registration issued under this Act more than 5 years before January 1, 1990 (the effective date of Public Act 86-383) shall expire and be subject to the renewal provisions of this Section on the next anniversary of the date of issuance of such certificate which occurs more than 6 months after January 1, 1990 (the effective date of Public Act 86-383). A certificate of registration issued less than 5 years before January 1, 1990 (the effective date of Public Act 86-383) shall expire and be subject to the renewal provisions of this Section on the 5th anniversary of the issuance of the certificate.

If the person so registered states that he operates other places of business from which he engages in the business of selling tangible personal property at retail in this State, the Department shall furnish him with a sub-certificate of registration for each such place of business, and the applicant shall display the appropriate sub-certificate of registration at each such place of business. All sub-certificates of registration shall bear the same registration number as that appearing upon the certificate of registration to which such sub-certificates relate.

If the applicant will sell tangible personal property at retail through vending machines, the Department shall furnish him with a sub-certificate of registration for each such vending machine, and the applicant shall display the appropriate sub-certificate of registration on each such vending machine by attaching the sub-certificate of registration to a conspicuous part of such vending machine. If a person who is registered to sell tangible personal property at retail through vending machines adds an additional vending machine or additional vending machines to the number of vending machines he or she uses in his or her business of selling tangible personal property at retail, he or she shall notify the Department, on a form prescribed by the Department, to request an additional sub-certificate or additional sub-certificates of registration, as applicable. With each such request, the applicant shall report the number of sub-certificates of registration he or she is requesting as well as the total number of vending machines from which he or she makes retail sales.

Where the same person engages in 2 or more businesses of selling tangible personal property at retail in this State, which businesses are substantially different in character or engaged in under different trade names or engaged in under other substantially dissimilar circumstances (so that it is more practicable, from an accounting, auditing or bookkeeping standpoint, for such businesses to be separately registered), the Department may require or permit such person (subject to the same requirements concerning the furnishing of security as those that are provided for hereinbefore in this Section as to each application for a certificate of registration) to apply for and obtain a separate certificate of registration for each such business or for any of such businesses, under a single certificate of registration supplemented by related sub-certificates of registration.

Any person who is registered under the Retailers' Occupation Tax Act as of March 8, 1963, and who, during the 3-year period immediately prior to March 8, 1963, or during a continuous 3-year period part of which passed immediately before and the remainder of which passes immediately after March 8, 1963, has been so registered continuously and who is determined by the Department not to have been either delinquent or deficient in the payment of tax liability during that period under this Act or under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the registrant under this Act will permit the registrant to engage in business without registering separately under such other law, ordinance or resolution, shall be considered to be a Prior Continuous Compliance taxpayer. Also any taxpayer who has, as verified by the Department, faithfully and continuously complied with the condition of his bond or other security under the provisions of this Act for a period of 3 consecutive years shall be considered to be a Prior Continuous Compliance taxpayer.

Every Prior Continuous Compliance taxpayer shall be exempt from all requirements under this Act concerning the furnishing of a bond or other security as a condition precedent to his being authorized to engage in the business of selling tangible personal property at retail in this State. This exemption shall continue for each such taxpayer until such time as he may be determined by the Department to be delinquent in the filing of any returns, or is determined by the Department (either through the Department's issuance of a final assessment which has become final under the Act, or by the taxpayer's filing of a return which admits tax that is not paid to be due) to be delinquent or deficient in the paying of any tax under this Act or under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the registrant under this Act will permit the registrant to engage in business without registering separately under such other law, ordinance or resolution, at which time that taxpayer shall become subject to all the financial responsibility requirements of this Act and, as a condition of being allowed to continue to engage in the business of selling tangible personal property at retail, may be required to post bond or other acceptable security with the Department covering liability which such taxpayer may thereafter incur. Any taxpayer who fails to pay an admitted or established liability under this Act may also be required to post bond or other acceptable security with this Department guaranteeing the payment of such admitted or established liability.

No certificate of registration shall be issued to any person who is in default to the State of Illinois for moneys due under this Act or under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution.

Any person aggrieved by any decision of the Department under this Section may, within 20 days after notice of such decision, protest and request a hearing, whereupon the Department shall give notice to such person of the time and place fixed for such hearing and shall hold a hearing in conformity with the provisions of this Act and then issue its final administrative decision in the matter to such person. In the absence of such a protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

With respect to security other than bonds (upon which the Department may sue in the event of a forfeiture), if the taxpayer fails to pay, when due, any amount whose payment such security guarantees, the Department shall, after such liability is admitted by the taxpayer or established by the Department through the issuance of a final assessment that has become final under the law, convert the security which that taxpayer has furnished into money for the State, after first giving the taxpayer at least 10 days' written notice, by registered or certified mail, to pay the liability or forfeit such security to the Department. If the security consists of stocks or bonds or other securities which are listed on a public exchange, the Department shall sell such securities through such public exchange. If the security consists of an irrevocable bank letter of credit, the Department shall convert the security in the manner provided for in the Uniform Commercial Code. If the security consists of a bank certificate of deposit, the Department shall convert the security into money by demanding and collecting the amount of such bank certificate of deposit from the bank which issued such certificate. If the security consists of a type of stocks or other securities which are not listed on a public exchange, the Department shall sell such security to the highest and best bidder after giving at least 10 days' notice of the date, time and place of the intended sale by publication in the "State Official Newspaper". If the Department realizes more than the amount of such liability from the security, plus the expenses incurred by the Department in converting the security into money, the Department shall pay such excess to the taxpayer who furnished such security, and the balance shall be paid into the State Treasury.

The Department shall discharge any surety and shall release and return any security deposited, assigned, pledged or otherwise provided to it by a taxpayer under this Section within 30 days after:

(1) such taxpayer becomes a Prior Continuous Compliance taxpayer; or

(2) such taxpayer has ceased to collect receipts on which he is required to remit tax to the Department, has filed a final tax return, and has paid to the Department an amount sufficient to discharge his remaining tax liability, as determined by the Department, under this Act and under every other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration issued under this Act permits the registrant to engage in business without registering separately under such other law, ordinance or resolution. The Department shall make a final determination of the taxpayer's outstanding tax liability as expeditiously as possible after his final tax return has been filed; if the Department cannot make such final determination within 45 days after receiving the final tax return, within such period it shall so notify the taxpayer, stating its reasons therefor.

(Source: P.A. 100-302, eff. 8-24-17; 100-303, eff. 8-24-17; 100-863, eff. 8-14-18.)

Section 15-35. The Cigarette Tax Act is amended by changing Section 2 as follows:
(35 ILCS 130/2) (from Ch. 120, par. 453.2)

Sec. 2. Tax imposed; rate; collection, payment, and distribution; discount.

(a) Beginning on July 1, 2019, in place of the aggregate tax rate of 99 mills previously imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 149 mills per cigarette sold or otherwise disposed of in the course of such business in this State. A tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at the rate of 5 1/2 mills per cigarette sold, or otherwise disposed of in the course of such business in this State. In addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at a rate of 1/2 mill per cigarette sold or otherwise disposed of in the course of such business in this State on and after January 1, 1947, and shall be paid into the Metropolitan Fair and Exposition Authority Reconstruction Fund or as otherwise provided in Section 29. On and after December 1, 1985, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at a rate of 4 mills per cigarette sold or otherwise disposed of in the course of such business in this State. Of the additional tax imposed by this amendatory Act of 1985, \$9,000,000 of the moneys received by the Department of Revenue pursuant to this Act shall be paid each month into the Common School Fund. On and after the effective date of this amendatory Act of 1989, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 5 mills per cigarette sold or otherwise disposed of in the course of such business in this State. On and after the effective date of this amendatory Act of 1993, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 7 mills per cigarette sold or otherwise disposed of in the course of such business in this State. On and after December 15, 1997, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 7 mills per cigarette sold or otherwise disposed of in the course of such business of this State. All of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act from the additional taxes

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imposed by this amendatory Act of 1997, shall be paid each month into the Common School Fund. On and after July 1, 2002, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 20.0 mills per cigarette sold or otherwise disposed of in the course of such business in this State. Beginning on June 24, 2012, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 50 mills per cigarette sold or otherwise disposed of in the course of such business in this State. All moneys received by the Department of Revenue under this Act and the Cigarette Use Tax Act from the additional taxes imposed by this amendatory Act of the 97th General Assembly shall be paid each month into the Healthcare Provider Relief Fund.

(b) The payment of such taxes shall be evidenced by a stamp affixed to each original package of cigarettes, or an authorized substitute for such stamp imprinted on each original package of such cigarettes underneath the sealed transparent outside wrapper of such original package, as hereinafter provided. However, such taxes are not imposed upon any activity in such business in interstate commerce or otherwise, which activity may not under the Constitution and statutes of the United States be made the subject of taxation by this State.

Beginning on the effective date of this amendatory Act of the 92nd General Assembly and through June 30, 2006, all of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act, other than the moneys that are dedicated to the Common School Fund, shall be distributed each month as follows: first, there shall be paid into the General Revenue Fund an amount which, when added to the amount paid into the Common School Fund for that month, equals \$33,300,000, except that in the month of August of 2004, this amount shall equal \$83,300,000; then, from the moneys remaining, if any amounts required to be paid into the General Revenue Fund in previous months remain unpaid, those amounts shall be paid into the General Revenue Fund; then, beginning on April 1, 2003, from the moneys remaining, \$5,000,000 per month shall be paid into the School Infrastructure Fund; then, if any amounts required to be paid into the School Infrastructure Fund in previous months remain unpaid, those amounts shall be paid into the School Infrastructure Fund; then the moneys remaining, if any, shall be paid into the Long-Term Care Provider Fund. To the extent that more than \$25,000,000 has been paid into the General Revenue Fund and Common School Fund per month for the period of July 1, 1993 through the effective date of this amendatory Act of 1994 from combined receipts of the Cigarette Tax Act and the Cigarette Use Tax Act, notwithstanding the distribution provided in this Section, the Department of Revenue is hereby directed to adjust the distribution provided in this Section to increase the next monthly payments to the Long-Term Care Provider Fund by the amount paid to the General Revenue Fund and Common School Fund in excess of \$25,000,000 per month and to decrease the next monthly payments to the General Revenue Fund and Common School Fund by that same excess amount.

Beginning on July 1, 2006, all of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act, other than the moneys that are dedicated to the Common School Fund and, beginning on the effective date of this amendatory Act of the 97th General Assembly, other than the moneys from the additional taxes imposed by this amendatory Act of the 97th General Assembly that must be paid each month into the Healthcare Provider Relief Fund, and other than the moneys from the additional taxes imposed by this amendatory Act of the 101st General Assembly that must be paid each month under subsection (c), shall be distributed each month as follows: first, there shall be paid into the General Revenue Fund an amount that, when added to the amount paid into the Common School Fund for that month, equals \$29,200,000; then, from the moneys remaining, if any amounts required to be paid into the General Revenue Fund in previous months remain unpaid, those amounts shall be paid into the General Revenue Fund; then from the moneys remaining, \$5,000,000 per month shall be paid into the School Infrastructure Fund; then, if any amounts required to be paid into the School Infrastructure Fund in previous months remain unpaid, those amounts shall be paid into the School Infrastructure Fund; then the moneys remaining, if any, shall be paid into the Long-Term Care Provider Fund.

(c) Beginning on July 1, 2019, all of the moneys from the additional taxes imposed by this amendatory Act of the 101st General Assembly received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act shall be distributed each month into the Capital Projects Fund.

(d) Moneys collected from the tax imposed on little cigars under Section 10-10 of the Tobacco Products Tax Act of 1995 shall be included with the moneys collected under the Cigarette Tax Act and the Cigarette Use Tax Act when making distributions to the Common School Fund, the Healthcare Provider Relief Fund, the General Revenue Fund, the School Infrastructure Fund, and the Long-Term Care Provider Fund under this Section.

(e) If the ~~When any~~ tax imposed herein terminates or has terminated, distributors who have bought stamps while such tax was in effect and who therefore paid such tax, but who can show, to the Department's satisfaction, that they sold the cigarettes to which they affixed such stamps after such tax had terminated

and did not recover the tax or its equivalent from purchasers, shall be allowed by the Department to take credit for such absorbed tax against subsequent tax stamp purchases from the Department by such distributor.

(f) The impact of the tax levied by this Act is imposed upon the retailer and shall be prepaid or pre-collected by the distributor for the purpose of convenience and facility only, and the amount of the tax shall be added to the price of the cigarettes sold by such distributor. Collection of the tax shall be evidenced by a stamp or stamps affixed to each original package of cigarettes, as hereinafter provided. Any distributor who purchases stamps may credit any excess payments verified by the Department against amounts subsequently due for the purchase of additional stamps, until such time as no excess payment remains.

(g) Each distributor shall collect the tax from the retailer at or before the time of the sale, shall affix the stamps as hereinafter required, and shall remit the tax collected from retailers to the Department, as hereinafter provided. Any distributor who fails to properly collect and pay the tax imposed by this Act shall be liable for the tax. ~~Any distributor having cigarettes to which stamps have been affixed in his possession for sale on the effective date of this amendatory Act of 1989 shall not be required to pay the additional tax imposed by this amendatory Act of 1989 on such stamped cigarettes. Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale at 12:01 a.m. on the effective date of this amendatory Act of 1993, is required to pay the additional tax imposed by this amendatory Act of 1993 on such stamped cigarettes. This payment, less the discount provided in subsection (b), shall be due when the distributor first makes a purchase of cigarette tax stamps after the effective date of this amendatory Act of 1993, or on the first due date of a return under this Act after the effective date of this amendatory Act of 1993, whichever occurs first. Any distributor having cigarettes to which stamps have been affixed in his possession for sale on December 15, 1997 shall not be required to pay the additional tax imposed by this amendatory Act of 1997 on such stamped cigarettes.~~

~~Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale on July 1, 2002 shall not be required to pay the additional tax imposed by this amendatory Act of the 92nd General Assembly on those stamped cigarettes.~~

(h) Any distributor having cigarettes in his or her possession on July 1, 2019 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on July 1, 2019 that have not been affixed to packages of cigarettes before July 1, 2019, is required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly to the extent that the volume of affixed and unaffixed stamps in the distributor's possession on July 1, 2019 exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2018. This payment, less the discount provided in subsection (l), is due when the distributor first makes a purchase of cigarette stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes in their possession on July 1, 2019 over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in subsection (l) on such payments.

(i) Any retailer having cigarettes in its his or her possession on July 1, 2019 June 24, 2012 to which tax stamps have been affixed is not required to pay the additional tax that begins on July 1, 2019 June 24, 2012 imposed by this amendatory Act of the 101st General Assembly this amendatory Act of the 97th General Assembly on those stamped cigarettes. Any distributor having cigarettes in his or her possession on June 24, 2012 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on June 24, 2012 that have not been affixed to packages of cigarettes before June 24, 2012, is required to pay the additional tax that begins on June 24, 2012 imposed by this amendatory Act of the 97th General Assembly to the extent the calendar year 2012 average monthly volume of cigarette stamps in the distributor's possession exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2011. This payment, less the discount provided in subsection (b), is due when the distributor first makes a purchase of cigarette stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring on or after June 24, 2012, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring

on or after June 24, 2012, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in subsection (b) on such payments.

(j) Distributors making sales of cigarettes to secondary distributors shall add the amount of the tax to the price of the cigarettes sold by the distributors. Secondary distributors making sales of cigarettes to retailers shall include the amount of the tax in the price of the cigarettes sold to retailers. The amount of tax shall not be less than the amount of taxes imposed by the State and all local jurisdictions. The amount of local taxes shall be calculated based on the location of the retailer's place of business shown on the retailer's certificate of registration or sub-registration issued to the retailer pursuant to Section 2a of the Retailers' Occupation Tax Act. The original packages of cigarettes sold to the retailer shall bear all the required stamps, or other indicia, for the taxes included in the price of cigarettes.

(k) The amount of the Cigarette Tax imposed by this Act shall be separately stated, apart from the price of the goods, by distributors, manufacturer representatives, secondary distributors, and retailers, in all bills and sales invoices.

(l) ~~(b)~~ The distributor shall be required to collect the ~~tax~~ taxes provided under paragraph (a) hereof, and, to cover the costs of such collection, shall be allowed a discount during any year commencing July 1st and ending the following June 30th in accordance with the schedule set out hereinbelow, which discount shall be allowed at the time of purchase of the stamps when purchase is required by this Act, or at the time when the tax is remitted to the Department without the purchase of stamps from the Department when that method of paying the tax is required or authorized by this Act. ~~Prior to December 1, 1985, a discount equal to 1 2/3% of the amount of the tax up to and including the first \$700,000 paid hereunder by such distributor to the Department during any such year; 1 1/3% of the next \$700,000 of tax or any part thereof, paid hereunder by such distributor to the Department during any such year; 1% of the next \$700,000 of tax, or any part thereof, paid hereunder by such distributor to the Department during any such year, and 2/3 of 1% of the amount of any additional tax paid hereunder by such distributor to the Department during any such year shall apply.~~

On and after December 1, 1985, a discount equal to 1.75% of the amount of the tax payable under this Act up to and including the first \$3,000,000 paid hereunder by such distributor to the Department during any such year and 1.5% of the amount of any additional tax paid hereunder by such distributor to the Department during any such year shall apply.

Two or more distributors that use a common means of affixing revenue tax stamps or that are owned or controlled by the same interests shall be treated as a single distributor for the purpose of computing the discount.

(m) ~~(e)~~ The taxes herein imposed are in addition to all other occupation or privilege taxes imposed by the State of Illinois, or by any political subdivision thereof, or by any municipal corporation.

(Source: P.A. 100-1171, eff. 1-4-19.)

(35 ILCS 130/29 rep.)

Section 15-40. The Cigarette Tax Act is amended by repealing Section 29.

Section 15-45. The Cigarette Use Tax Act is amended by changing Sections 2 and 35 as follows:
(35 ILCS 135/2) (from Ch. 120, par. 453.32)

Sec. 2. Beginning on July 1, 2019, in place of the aggregate tax rate of 99 mills previously imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at the rate of 149 mills per cigarette so used. A tax is imposed upon the privilege of using cigarettes in this State, at the rate of 6 mills per cigarette so used. On and after December 1, 1985, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 4 mills per cigarette so used. On and after the effective date of this amendatory Act of 1989, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at the rate of 5 mills per cigarette so used. On and after the effective date of this amendatory Act of 1993, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 7 mills per cigarette so used. On and after December 15, 1997, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 7 mills per cigarette so used. On and after July 1, 2002, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 20.0 mills per cigarette so used. Beginning on June 24, 2012, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 50 mills per cigarette so used. The tax taxes herein imposed shall be in addition to all other occupation or privilege taxes imposed by the State of Illinois or by any political subdivision thereof or by any municipal corporation.

If the ~~When any~~ tax imposed herein terminates or has terminated, distributors who have bought stamps while such tax was in effect and who therefore paid such tax, but who can show, to the Department's

satisfaction, that they sold the cigarettes to which they affixed such stamps after such tax had terminated and did not recover the tax or its equivalent from purchasers, shall be allowed by the Department to take credit for such absorbed tax against subsequent tax stamp purchases from the Department by such distributors.

When the word "tax" is used in this Act, it shall include any tax or tax rate imposed by this Act and shall mean the singular of "tax" or the plural "taxes" as the context may require.

Any retailer having cigarettes in its possession on July 1, 2019 to which tax stamps have been affixed is not required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly on those stamped cigarettes. Any distributor having cigarettes in his or her possession on July 1, 2019 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on July 1, 2019 that have not been affixed to packages of cigarettes before July 1, 2019, is required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly to the extent that the volume of affixed and unaffixed stamps in the distributor's possession on July 1, 2019 exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2018. This payment, less the discount provided in Section 3, is due when the distributor first makes a purchase of cigarette stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes in their possession on July 1, 2019 over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in Section 3 on such payments.

~~Any distributor having cigarettes to which stamps have been affixed in his possession for sale on the effective date of this amendatory Act of 1989 shall not be required to pay the additional tax imposed by this amendatory Act of 1989 on such stamped cigarettes. Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale at 12:01 a.m. on the effective date of this amendatory Act of 1993, is required to pay the additional tax imposed by this amendatory Act of 1993 on such stamped cigarettes. This payment shall be due when the distributor first makes a purchase of cigarette tax stamps after the effective date of this amendatory Act of 1993, or on the first due date of a return under this Act after the effective date of this amendatory Act of 1993, whichever occurs first. Once a distributor tenders payment of the additional tax to the Department, the distributor may purchase stamps from the Department. Any distributor having cigarettes to which stamps have been affixed in his possession for sale on December 15, 1997 shall not be required to pay the additional tax imposed by this amendatory Act of 1997 on such stamped cigarettes.~~

~~Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale on July 1, 2002 shall not be required to pay the additional tax imposed by this amendatory Act of the 92nd General Assembly on those stamped cigarettes.~~

~~Any retailer having cigarettes in his or her possession on June 24, 2012 to which tax stamps have been affixed is not required to pay the additional tax that begins on June 24, 2012 imposed by this amendatory Act of the 97th General Assembly on those stamped cigarettes. Any distributor having cigarettes in his or her possession on June 24, 2012 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on June 24, 2012 that have not been affixed to packages of cigarettes before June 24, 2012, is required to pay the additional tax that begins on June 24, 2012 imposed by this amendatory Act of the 97th General Assembly to the extent the calendar year 2012 average monthly volume of cigarette stamps in the distributor's possession exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2011. This payment, less the discount provided in Section 3, is due when the distributor first makes a purchase of cigarette stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring on or after June 24, 2012, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring on or after June 24, 2012, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in Section 3 on such payments.~~

(Source: P.A. 97-688, eff. 6-14-12.)

(35 ILCS 135/35) (from Ch. 120, par. 453.65)

[June 2, 2019]

Sec. 35. Distribution of receipts. All moneys received by the Department under this Act shall be distributed as provided in ~~subsection (a)~~ of Section 2 of the Cigarette Tax Act.
(Source: P.A. 88-535.)

Section 15-50. The Tobacco Products Tax Act of 1995 is amended by changing Section 10-10 as follows:

(35 ILCS 143/10-10)

Sec. 10-10. Tax imposed.

(a) Except as otherwise provided in this Section with respect to little cigars, on the first day of the third month after the month in which this Act becomes law, a tax is imposed on any person engaged in business as a distributor of tobacco products, as defined in Section 10-5, at the rate of (i) 18% of the wholesale price of tobacco products sold or otherwise disposed of to retailers or consumers located in this State prior to July 1, 2012 and (ii) 36% of the wholesale price of tobacco products sold or otherwise disposed of to retailers or consumers located in this State beginning on July 1, 2012; except that, beginning on January 1, 2013, the tax on moist snuff shall be imposed at a rate of \$0.30 per ounce, and a proportionate tax at the like rate on all fractional parts of an ounce, sold or otherwise disposed of to retailers or consumers located in this State. The tax is in addition to all other occupation or privilege taxes imposed by the State of Illinois, by any political subdivision thereof, or by any municipal corporation. However, the tax is not imposed upon any activity in that business in interstate commerce or otherwise, to the extent to which that activity may not, under the Constitution and Statutes of the United States, be made the subject of taxation by this State, and except that, beginning July 1, 2013, the tax on little cigars shall be imposed at the same rate, and the proceeds shall be distributed in the same manner, as the tax imposed on cigarettes under the Cigarette Tax Act. The tax is also not imposed on sales made to the United States or any entity thereof.

(b) Notwithstanding subsection (a) of this Section, stamping distributors of packages of little cigars containing 20 or 25 little cigars sold or otherwise disposed of in this State shall remit the tax by purchasing tax stamps from the Department and affixing them to packages of little cigars in the same manner as stamps are purchased and affixed to cigarettes under the Cigarette Tax Act, unless the stamping distributor sells or otherwise disposes of those packages of little cigars to another stamping distributor. Only persons meeting the definition of "stamping distributor" contained in Section 10-5 of this Act may affix stamps to packages of little cigars containing 20 or 25 little cigars. Stamping distributors may not sell or dispose of little cigars at retail to consumers or users at locations where stamping distributors affix stamps to packages of little cigars containing 20 or 25 little cigars.

(c) The impact of the tax levied by this Act is imposed upon distributors engaged in the business of selling tobacco products to retailers or consumers in this State. Whenever a stamping distributor brings or causes to be brought into this State from without this State, or purchases from without or within this State, any packages of little cigars containing 20 or 25 little cigars upon which there are no tax stamps affixed as required by this Act, for purposes of resale or disposal in this State to a person not a stamping distributor, then such stamping distributor shall pay the tax to the Department and add the amount of the tax to the price of such packages sold by such stamping distributor. Payment of the tax shall be evidenced by a stamp or stamps affixed to each package of little cigars containing 20 or 25 little cigars.

Stamping distributors paying the tax to the Department on packages of little cigars containing 20 or 25 little cigars sold to other distributors, wholesalers or retailers shall add the amount of the tax to the price of the packages of little cigars containing 20 or 25 little cigars sold by such stamping distributors.

(d) Beginning on January 1, 2013, the tax rate imposed per ounce of moist snuff may not exceed 15% of the tax imposed upon a package of 20 cigarettes pursuant to the Cigarette Tax Act.

(e) All moneys received by the Department under this Act from sales occurring prior to July 1, 2012 shall be paid into the Long-Term Care Provider Fund of the State Treasury. Of the moneys received by the Department from sales occurring on or after July 1, 2012, except for moneys received from the tax imposed on the sale of little cigars, 50% shall be paid into the Long-Term Care Provider Fund and 50% shall be paid into the Healthcare Provider Relief Fund. Beginning July 1, 2013, all moneys received by the Department under this Act from the tax imposed on little cigars shall be distributed as provided in ~~subsection (a)~~ of Section 2 of the Cigarette Tax Act.

(Source: P.A. 97-688, eff. 6-14-12; 98-273, eff. 8-9-13.)

Section 15-55. The Property Tax Code is amended by changing Section 31-10 as follows:

(35 ILCS 200/31-10)

Sec. 31-10. Imposition of tax. A tax is imposed on the privilege of transferring title to real estate located in Illinois, on the privilege of transferring a beneficial interest in real property located in Illinois, and on the privilege of transferring a controlling interest in a real estate entity owning property located in Illinois,

at the rate of 50¢ for each \$500 of value or fraction of \$500 stated in the declaration required by Section 31-25. On and after July 1, 2019, the rate of tax imposed is increased to \$1.50 for each \$500 of value or fraction of \$500 stated in such declaration if the transaction involves nonresidential real estate. If, however, the transferring document states that the real estate, beneficial interest, or controlling interest is transferred subject to a mortgage, the amount of the mortgage remaining outstanding at the time of transfer shall not be included in the basis of computing the tax. The tax is due if the transfer is made by one or more related transactions or involves one or more persons or entities and whether or not a document is recorded. (Source: P.A. 93-657, eff. 6-1-04; 93-1099, eff. 6-1-05.)

Section 15-80. The Motor Vehicle Retail Installment Sales Act is amended by changing Section 11.1 as follows:

(815 ILCS 375/11.1) (from Ch. 121 1/2, par. 571.1)

Sec. 11.1.

(a) A seller in a retail installment contract may add a "documentary fee" for processing documents and performing services related to closing of a sale. The maximum amount that may be charged by a seller for a documentary fee is the base documentary fee beginning January 1, 2008 until January 1, 2020, of \$150, which shall be subject to an annual rate adjustment equal to the percentage of change in the Bureau of Labor Statistics Consumer Price Index. Every retail installment contract under this Act shall contain or be accompanied by a notice containing the following information:

"DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING JANUARY 1, 2008, WAS \$150. THE MAXIMUM AMOUNT THAT MAY BE CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF \$150, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

(b) A seller in a retail installment contract may add a "documentary fee" for processing documents and performing services related to closing of a sale. The maximum amount that may be charged by a seller for a documentary fee is the base documentary fee beginning January 1, 2020, of \$300, which shall be subject to an annual rate adjustment equal to the percentage of change in the Bureau of Labor Statistics Consumer Price Index. Every retail installment contract under this Act shall contain or be accompanied by a notice containing the following information:

"DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING JANUARY 1, 2020, WAS \$300. THE MAXIMUM AMOUNT THAT MAY BE CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF \$300, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

(Source: P.A. 95-280, eff. 1-1-08.)

Article 20. Illinois Works Jobs Program Act

Section 20-1. Short title. This Article may be cited as the Illinois Works Jobs Program Act. References in this Article to "this Act" mean this Article.

Section 20-5. Findings. It is in the public policy interest of the State to ensure that all Illinois residents have access to State capital projects and careers in the construction industry and building trades, including those who have been historically underrepresented in those trades. To ensure that those interests are met, the General Assembly hereby creates the Illinois Works Preapprenticeship Program and the Illinois Works Apprenticeship Initiative.

Section 20-10. Definitions.

"Apprentice" means a participant in an apprenticeship program approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training.

"Apprenticeship program" means an apprenticeship and training program approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training.

[June 2, 2019]

"Bid credit" means a virtual dollar for a contractor or subcontractor to use toward future bids for public works contracts.

"Community-based organization" means a nonprofit organization selected by the Department to participate in the Illinois Works Preapprenticeship Program. To qualify as a "community-based organization", the organization must demonstrate the following:

- (1) the ability to effectively serve diverse and underrepresented populations, including by providing employment services to such populations;
- (2) knowledge of the construction and building trades;
- (3) the ability to recruit, prescreen, and provide preapprenticeship training to prepare workers for employment in the construction and building trades; and
- (4) a plan to provide the following:
 - (A) preparatory classes;
 - (B) workplace readiness skills, such as resume preparation and interviewing techniques;
 - (C) strategies for overcoming barriers to entry and completion of an apprenticeship program; and
 - (D) any prerequisites for acceptance into an apprenticeship program.

"Contractor" means a person, corporation, partnership, limited liability company, or joint venture entering into a contract with the State or any State agency to construct a public work.

"Department" means the Department of Commerce and Economic Opportunity.

"Labor hours" means the total hours for workers who are receiving an hourly wage and who are directly employed for the public works project. "Labor hours" includes hours performed by workers employed by the contractor and subcontractors on the public works project. "Labor hours" does not include hours worked by the forepersons, superintendents, owners, and workers who are not subject to prevailing wage requirements.

"Minorities" means minority persons as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"Public works" means all projects that constitute public works under the Prevailing Wage Act.

"Subcontractor" means a person, corporation, partnership, limited liability company, or joint venture that has contracted with the contractor to perform all or part of the work to construct a public work by a contractor.

"Underrepresented populations" means populations identified by the Department that historically have had barriers to entry or advancement in the workforce. "Underrepresented populations" includes, but is not limited to, minorities, women, and veterans.

Section 20-15. Illinois Works Preapprenticeship Program; Illinois Works Bid Credit Program.

(a) The Illinois Works Preapprenticeship Program is established and shall be administered by the Department. The goal of the Illinois Works Preapprenticeship Program is to create a network of community-based organizations throughout the State that will recruit, prescreen, and provide preapprenticeship skills training to create a qualified, diverse pipeline of workers who are prepared for careers in the construction and building trades. Upon completion of the Illinois Works Preapprenticeship Program, the candidates will be skilled and work-ready.

(b) There is created the Illinois Works Fund, a special fund in the State treasury. The Illinois Works Fund shall be administered by the Department. The Illinois Works Fund shall be used to provide funding for community-based organizations throughout the State. In addition to any other transfers that may be provided for by law, on and after July 1, 2019 and until June 30, 2020, at the direction of the Director of the Governor's Office of Management and Budget, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$25,000,000 from the Rebuild Illinois Projects Fund to the Illinois Works Fund.

(c) Each community-based organization that receives funding from the Illinois Works Fund shall provide an annual report to the Illinois Works Review Panel by April 1 of each calendar year. The annual report shall include the following information:

- (1) a description of the community-based organization's recruitment, screening, and training efforts;
- (2) the number of individuals who apply to, participate in, and complete the community-based organization's program, broken down by race, gender, age, and veteran status; and
- (3) the number of the individuals referenced in item (2) of this subsection who are initially accepted and placed into apprenticeship programs in the construction and building trades.

(d) The Department shall create and administer the Illinois Works Bid Credit Program that shall provide economic incentives, through bid credits, to encourage contractors and subcontractors to provide contracting and employment opportunities to historically underrepresented populations in the construction industry.

The Illinois Works Bid Credit Program shall allow contractors and subcontractors to earn bid credits for use toward future bids for public works projects in order to increase the chances that the contractor and the subcontractors will be selected.

Contractors or subcontractors may be eligible for bid credits for employing apprentices who have completed the Illinois Works Preapprenticeship Program. Contractors or subcontractors shall earn bid credits at a rate established by the Department and published on the Department's website, including any appropriate caps.

The Illinois Works Credit Bank is hereby created and shall be administered by the Department. The Illinois Works Credit Bank shall track the bid credits.

A contractor or subcontractor who has been awarded bid credits under any other State program for employing apprentices who have completed the Illinois Works Preapprenticeship Program is not eligible to receive bid credits under the Illinois Works Bid Credit Program relating to the same contract.

The Department shall report to the Illinois Works Review Panel the following: (i) the number of bid credits awarded by the Department; (ii) the number of bid credits submitted by the contractor or subcontractor to the agency administering the public works contract; and (iii) the number of bid credits accepted by the agency for such contract. Any agency that awards bid credits pursuant to the Illinois Works Credit Bank Program shall report to the Department the number of bid credits it accepted for the public works contract.

Upon a finding that a contractor or subcontractor has reported falsified records to the Department in order to fraudulently obtain bid credits, the Department shall permanently bar the contractor or subcontractor from participating in the Illinois Works Bid Credit Program and may suspend the contractor or subcontractor from bidding on or participating in any public works project. False or fraudulent claims for payment relating to false bid credits may be subject to damages and penalties under the Illinois False Claims Act or other applicable law.

(e) The Department shall adopt any rules deemed necessary to implement this Section.

Section 20-20. Illinois Works Apprenticeship Initiative.

(a) The Illinois Works Apprenticeship Initiative is established and shall be administered by the Department.

(1) Subject to the exceptions set forth in subsection (b) of this Section, apprentices shall be utilized on all public works projects in accordance with this subsection (a).

(2) For public works projects, the goal of the Illinois Works Apprenticeship Initiative is that apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less.

(b) Before or during the term of a contract subject to this Section, the Department may reduce or waive the goals set forth in paragraph (2) of subsection (a). Prior to the Department granting a request for a reduction or waiver, the Department shall hold a public hearing and shall consult with the Business Enterprise Council under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act and the Chief Procurement Officer of the agency administering the public works contract. The Department may grant a reduction or waiver upon a determination that:

(1) the contractor or subcontractor has demonstrated that insufficient apprentices are available;

(2) the reasonable and necessary requirements of the contract do not allow the goal to be met;

(3) there is a disproportionately high ratio of material costs to labor hours that makes meeting the goal infeasible; or

(4) apprentice labor hour goals conflict with existing requirements, including federal requirements, in connection with the public work.

(c) Contractors and subcontractors must submit a certification to the Department and the agency that is administering the contract demonstrating that the contractor or subcontractor has either:

(1) met the apprentice labor hour goals set forth in paragraph (2) of subsection (a);

or

(2) received a reduction or waiver pursuant to subsection (b).

It shall be deemed to be a material breach of the contract and entitle the State to declare a default, terminate the contract, and exercise those remedies provided for in the contract, at law, or in equity if the contractor or subcontractor fails to submit the certification required in this subsection or submits false or misleading information.

(d) No later than one year after the effective date of this Act, and by April 1 of every calendar year thereafter, the Department of Labor shall submit a report to the Illinois Works Review Panel regarding the use of apprentices under the Illinois Works Apprenticeship Initiative for public works projects. To the extent it is available, the report shall include the following information:

(1) the total number of labor hours on each project and the percentage of labor hours actually worked by apprentices on each public works project;

(2) the number of apprentices used in each public works project, broken down by trade; and

(3) the number and percentage of minorities, women, and veterans utilized as apprentices on each public works project.

(e) The Department shall adopt any rules deemed necessary to implement the Illinois Works Apprenticeship Initiative.

(f) The Illinois Works Apprenticeship Initiative shall not interfere with any contracts or program in existence on the effective date of this Act.

Section 20-25. The Illinois Works Review Panel.

(a) The Illinois Works Review Panel is created and shall be comprised of 11 members, each serving 3-year terms. The Speaker of the House of Representatives and the President of the Senate shall each appoint 2 members. The Minority Leader of the House of Representatives and the Minority Leader of the Senate shall each appoint one member. The Director of Commerce and Economic Opportunity, or his or her designee, shall serve as a member. The Governor shall appoint the following individuals to serve as members: a representative from a contractor organization; a representative from a labor organization; and 2 members of the public with workforce development expertise, one of whom shall be a representative of a nonprofit organization that addresses workforce development.

(b) The members of the Illinois Works Review Panel shall make recommendations to the Department regarding identification and evaluation of community-based organizations.

(c) The Illinois Works Review Panel shall meet, at least quarterly, to review and evaluate (i) the Illinois Works Preapprenticeship Program and the Illinois Works Apprenticeship Initiative, (ii) ideas to diversify the workforce in the construction industry in Illinois, and (iii) workforce demographic data collected by the Illinois Department of Labor.

(d) All State contracts shall include a requirement that the contractor and subcontractor shall, upon reasonable notice, appear before and respond to requests for information from the Illinois Works Review Panel.

(e) By August 1, 2020, and every August 1 thereafter, the Illinois Works Review Panel shall report to the General Assembly on its evaluation of the Illinois Works Preapprenticeship Program and the Illinois Works Apprenticeship initiative, including any recommended modifications.

Section 20-900. The State Finance Act is amended by adding Section 5.895 as follows:

(30 ILCS 105/5.895 new)

Sec. 5.895. The Illinois Works Fund.

Section 20-905. The Illinois Procurement Code is amended by changing Section 20-10 as follows:

(30 ILCS 500/20-10)

(Text of Section from P.A. 96-159, 96-588, 97-96, 97-895, 98-1076, 99-906 and 100-43)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 calendar days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly or through an electronic procurement system in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, including earned and applied bid credit from the Illinois Works Jobs Program Act, the amount

of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, the total contract price, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

The written explanation shall be filed with the Legislative Audit Commission and the Procurement Policy Board, and be made available for inspection by the public, within 30 calendar days after the agency's decision to award the contract.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under Section 1-56, subsections (a) and (c) of Section 1-75 and subsection (d) of Section 1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c). Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 calendar days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of

the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects, including design professional services.

(Source: P.A. 99-906, eff. 6-1-17; 100-43, eff. 8-9-17.)

(Text of Section from P.A. 96-159, 96-795, 97-96, 97-895, 98-1076, 99-906, and 100-43)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 calendar days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly or through an electronic procurement system in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, including earned and applied bid credit from the Illinois Works Jobs Program Act, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, the total contract price, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

The written explanation shall be filed with the Legislative Audit Commission and the Procurement Policy Board, and be made available for inspection by the public, within 30 days after the agency's decision to award the contract.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under subsections (a) and (c) of Section 1-75 and subsection (d) of Section 1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c).

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 calendar days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects, including design professional services.

(Source: P.A. 99-906, eff. 6-1-17; 100-43, eff. 8-9-17.)

Section 20-910. The Prevailing Wage Act is amended by changing Section 5 as follows:
(820 ILCS 130/5) (from Ch. 48, par. 39s-5)

(Text of Section before amendment by P.A. 100-1177)

Sec. 5. Certified payroll.

(a) Any contractor and each subcontractor who participates in public works shall:

(1) make and keep, for a period of not less than 3 years from the date of the last payment made before January 1, 2014 (the effective date of Public Act 98-328) and for a period of 5 years from the date of the last payment made on or after January 1, 2014 (the effective date of Public Act 98-328) on a contract or subcontract for public works, records of all laborers, mechanics, and other workers employed by them on the project; the records shall include (i) the worker's name, (ii) the worker's address, (iii) the worker's telephone number when available, (iv) the worker's social security number, (v) the worker's classification or classifications, (vi) the worker's skill level, such as apprentice or journeyman, (vii) ~~(vi)~~ the worker's gross and net wages paid in each pay period, (viii) ~~(vii)~~ the worker's number of hours worked each day, (ix) ~~(viii)~~ the worker's starting and ending times of work each day, (x) ~~(ix)~~ the worker's hourly wage rate, (xi) ~~(x)~~ the worker's hourly overtime wage rate, (xii) ~~(xi)~~ the worker's hourly fringe benefit rates, (xiii) ~~(xii)~~ the name and address of each fringe benefit fund, (xiv) ~~(xiii)~~ the plan sponsor of each fringe benefit, if applicable, and (xv) ~~(xiv)~~ the plan administrator of each fringe benefit, if applicable; and

(2) no later than the 15th day of each calendar month file a certified payroll for the immediately preceding month with the public body in charge of the project. A certified payroll must be filed for only those calendar months during which construction on a public works project has occurred. The certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (a), but may exclude the starting and ending times of work each day. The certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that: (i) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; (ii) the hourly rate paid to each worker is not less than the general prevailing rate of hourly wages required by this Act; and (iii) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor. A general contractor is not prohibited from relying on the certification of a lower tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification. Any contractor or subcontractor subject to this Act and any officer, employee, or agent of such contractor or subcontractor whose duty as such officer, employee, or agent it is to file such certified payroll who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A

misdeemeanor. The public body in charge of the project shall keep the records submitted in accordance with this paragraph (2) of subsection (a) before January 1, 2014 (the effective date of Public Act 98-328) for a period of not less than 3 years, and the records submitted in accordance with this paragraph (2) of subsection (a) on or after January 1, 2014 (the effective date of Public Act 98-328) for a period of 5 years, from the date of the last payment for work on a contract or subcontract for public works. The records submitted in accordance with this paragraph (2) of subsection (a) shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The public body shall accept any reasonable submissions by the contractor that meet the requirements of this Section.

A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

(b) Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of subsection (a) of this Section to the public body in charge of the project, its officers and agents, the Director of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(c) A contractor or subcontractor who remits contributions to fringe benefit funds that are jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act shall make and keep certified payroll records that include the information required under items (i) through ~~(ix)~~ ~~(viii)~~ of paragraph (1) of subsection (a) only. However, the information required under items ~~(x)~~ ~~(ix)~~ through ~~(xv)~~ ~~(xiv)~~ of paragraph (1) of subsection (a) shall be required for any contractor or subcontractor who remits contributions to a fringe benefit fund that is not jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act.

(Source: P.A. 97-571, eff. 1-1-12; 98-328, eff. 1-1-14; 98-482, eff. 1-1-14; 98-756, eff. 7-16-14.)

(Text of Section after amendment by P.A. 100-1177)

Sec. 5. Certified payroll.

(a) Any contractor and each subcontractor who participates in public works shall:

(1) make and keep, for a period of not less than 3 years from the date of the last payment made before January 1, 2014 (the effective date of Public Act 98-328) and for a period of 5 years from the date of the last payment made on or after January 1, 2014 (the effective date of Public Act 98-328) on a contract or subcontract for public works, records of all laborers, mechanics, and other workers employed by them on the project; the records shall include (i) the worker's name, (ii) the worker's address, (iii) the worker's telephone number when available, (iv) the last 4 digits of the worker's social security number, (v) the worker's gender, (vi) the worker's race, (vii) the worker's ethnicity, (viii) veteran status, (ix) the worker's classification or classifications, ~~(x) the worker's skill level, such as apprentice or journeyman,~~ (xi) ~~(x)~~ the worker's gross and net wages paid in each pay period, ~~(xii) (xi)~~ the worker's number of hours worked each day, ~~(xiii) (xii)~~ the worker's starting and ending times of work each day, ~~(xiv) (xiii)~~ the worker's hourly wage rate, ~~(xv) (xiv)~~ the worker's hourly overtime wage rate, ~~(xvi) (xv)~~ the worker's hourly fringe benefit rates, ~~(xvii) (xvi)~~ the name and address of each fringe benefit fund, ~~(xviii) (xvii)~~ the plan sponsor of each fringe benefit, if applicable, and ~~(xix) (xviii)~~ the plan administrator of each fringe benefit, if applicable; and

(2) no later than the 15th day of each calendar month file a certified payroll for the immediately preceding month with the public body in charge of the project until the Department of Labor activates the database created under Section 5.1 at which time certified payroll shall only be submitted to that database, except for projects done by State agencies that opt to have contractors submit certified payrolls directly to that State agency. A State agency that opts to directly receive certified payrolls must submit the required information in a specified electronic format to the Department of Labor no later than 10 days after the certified payroll was filed with the State agency. A certified payroll must be filed for only those calendar months during which construction on a public works project has occurred. The certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (a), but may exclude the starting and ending times of work each day. The certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that: (i) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; (ii) the hourly rate paid to each worker is not less than the general prevailing rate of hourly wages required by this Act; and (iii) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor. A general contractor is not prohibited from relying on the

certification of a lower tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification. Any contractor or subcontractor subject to this Act and any officer, employee, or agent of such contractor or subcontractor whose duty as such officer, employee, or agent it is to file such certified payroll who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor. The public body in charge of the project shall keep the records submitted in accordance with this paragraph (2) of subsection (a) before January 1, 2014 (the effective date of Public Act 98-328) for a period of not less than 3 years, and the records submitted in accordance with this paragraph (2) of subsection (a) on or after January 1, 2014 (the effective date of Public Act 98-328) for a period of 5 years, from the date of the last payment for work on a contract or subcontract for public works or until the Department of Labor activates the database created under Section 5.1, whichever is less. After the activation of the database created under Section 5.1, the Department of Labor rather than the public body in charge of the project shall keep the records and maintain the database. The records submitted in accordance with this paragraph (2) of subsection (a) shall be considered public records, except an employee's address, telephone number, social security number, race, ethnicity, and gender, and made available in accordance with the Freedom of Information Act. The public body shall accept any reasonable submissions by the contractor that meet the requirements of this Section.

A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

(b) Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of subsection (a) of this Section to the public body in charge of the project, its officers and agents, the Director of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(c) A contractor or subcontractor who remits contributions to fringe benefit funds that are jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act shall make and keep certified payroll records that include the information required under items (i) through (viii) of paragraph (1) of subsection (a) only. However, the information required under items (ix) through (xv) (~~(xiv)~~) of paragraph (1) of subsection (a) shall be required for any contractor or subcontractor who remits contributions to a fringe benefit fund that is not jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act.

(Source: P.A. 100-1177, eff. 6-1-19.)

Article 25. Sports Wagering Act

Section 25-1. Short title. This Article may be cited as the Sports Wagering Act. References in this Article to "this Act" mean this Article.

Section 25-5. Legislative findings. The General Assembly recognizes the promotion of public safety is an important consideration for sports leagues, teams, players, and fans at large. All persons who present sporting contests are encouraged to take reasonable measures to ensure the safety and security of all involved or attending sporting contests. Persons who present sporting contests are encouraged to establish codes of conduct that forbid all persons associated with the sporting contest from engaging in violent behavior and to hire, train, and equip safety and security personnel to enforce those codes of conduct. Persons who present sporting contests are further encouraged to provide public notice of those codes of conduct.

Section 25-10. Definitions. As used in this Act:

"Adjusted gross sports wagering receipts" means a master sports wagering licensee's gross sports wagering receipts, less winnings paid to wagerers in such games.

"Athlete" means any current or former professional athlete or collegiate athlete.

"Board" means the Illinois Gaming Board.

"Covered persons" includes athletes; umpires, referees, and officials; personnel associated with clubs, teams, leagues, and athletic associations; medical professionals (including athletic trainers) who provide services to athletes and players; and the family members and associates of these persons where required to serve the purposes of this Act.

"Department" means the Department of the Lottery.

[June 2, 2019]

"Gaming facility" means a facility at which gambling operations are conducted under the Illinois Gambling Act, pari-mutuel wagering is conducted under the Illinois Horse Racing Act of 1975, or sports wagering is conducted under this Act.

"Official league data" means statistics, results, outcomes, and other data related to a sports event obtained pursuant to an agreement with the relevant sports governing body, or an entity expressly authorized by the sports governing body to provide such information to licensees, that authorizes the use of such data for determining the outcome of tier 2 sports wagers on such sports events.

"Organization licensee" has the meaning given to that term in the Illinois Horse Racing Act of 1975.

"Owners licensee" means the holder of an owners license under the Illinois Gambling Act.

"Person" means an individual, partnership, committee, association, corporation, or any other organization or group of persons.

"Personal biometric data" means an athlete's information derived from DNA, heart rate, blood pressure, perspiration rate, internal or external body temperature, hormone levels, glucose levels, hydration levels, vitamin levels, bone density, muscle density, and sleep patterns.

"Prohibited conduct" includes any statement, action, and other communication intended to influence, manipulate, or control a betting outcome of a sporting contest or of any individual occurrence or performance in a sporting contest in exchange for financial gain or to avoid financial or physical harm. "Prohibited conduct" includes statements, actions, and communications made to a covered person by a third party, such as a family member or through social media. "Prohibited conduct" does not include statements, actions, or communications made or sanctioned by a team or sports governing body.

"Qualified applicant" means an applicant for a license under this Act whose application meets the mandatory minimum qualification criteria as required by the Board.

"Sporting contest" means a sports event or game on which the State allows sports wagering to occur under this Act.

"Sports event" means a professional sport or athletic event, a collegiate sport or athletic event, a motor race event, or any other event or competition of relative skill authorized by the Board under this Act.

"Sports facility" means a facility that hosts sports events and holds a seating capacity greater than 17,000 persons.

"Sports governing body" means the organization that prescribes final rules and enforces codes of conduct with respect to a sports event and participants therein.

"Sports wagering" means accepting wagers on sports events or portions of sports events, or on the individual performance statistics of athletes in a sports event or combination of sports events, by any system or method of wagering, including, but not limited to, in person or over the Internet through websites and on mobile devices. "Sports wagering" includes, but is not limited to, single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets.

"Sports wagering account" means a financial record established by a master sports wagering licensee for an individual patron in which the patron shall deposit and withdraw funds within a gaming facility until issuance of the first license under Section 25-45 and, thereafter, may also deposit and withdraw over the Internet through websites and on mobile devices for sports wagering and other authorized purchases and to which the master sports wagering licensee may credit winnings or other amounts due to that patron or authorized by that patron.

"Tier 1 sports wager" means a sports wager that is determined solely by the final score or final outcome of the sports event and is placed before the sports event has begun.

"Tier 2 sports wager" means a sports wager that is not a tier 1 sports wager.

"Wager" means a sum of money or thing of value risked on an uncertain occurrence.

"Winning bidder" means a qualified applicant for a master sports wagering license chosen through the competitive selection process under Section 25-45.

Section 25-15. Board duties and powers.

(a) Except for sports wagering conducted under Section 25-70, the Board shall have the authority to regulate the conduct of sports wagering under this Act.

(b) The Board may adopt any rules the Board considers necessary for the successful implementation, administration, and enforcement of this Act, except for Section 25-70. Rules proposed by the Board may be adopted as emergency rules pursuant to Section 5-45 of the Illinois Administrative Procedure Act.

(c) The Board shall levy and collect all fees, surcharges, civil penalties, and monthly taxes on adjusted gross sports wagering receipts imposed by this Act and deposit all moneys into the Sports Wagering Fund, except as otherwise provided under this Act.

(d) The Board may exercise any other powers necessary to enforce the provisions of this Act that it regulates and the rules of the Board.

(e) The Board shall adopt rules for a license to be employed by a master sports wagering licensee when the employee works in a designated gaming area that has sports wagering or performs duties in furtherance of or associated with the operation of sports wagering by the master sports wagering licensee (occupational license), which shall require an annual license fee of \$250. License fees shall be deposited into the State Gaming Fund and used for the administration of this Act.

(f) The Board may require that licensees share, in real time and at the sports wagering account level, information regarding a wagerer, amount and type of wager, the time the wager was placed, the location of the wager, including the Internet protocol address, if applicable, the outcome of the wager, and records of abnormal wagering activity. Information shared under this subsection (f) must be submitted in the form and manner as required by rule. If a sports governing body has notified the Board that real-time information sharing for wagers placed on its sports events is necessary and desirable, licensees may share the same information in the form and manner required by the Board by rule with the sports governing body or its designee with respect to wagers on its sports events subject to applicable federal, State, or local laws or regulations, including, without limitation, privacy laws and regulations. Such information may be provided in anonymized form and may be used by a sports governing body solely for integrity purposes. For purposes of this subsection (f), "real-time" means a commercially reasonable periodic interval.

(g) A master sports wagering licensee, professional sports team, league, or association, sports governing body, or institution of higher education may submit to the Board in writing a request to prohibit a type or form of wagering if the master sports wagering licensee, professional sports team, league, or association, sports governing body, or institution of higher education believes that such wagering by type or form is contrary to public policy, unfair to consumers, or affects the integrity of a particular sport or the sports betting industry. The Board shall grant the request upon a demonstration of good cause from the requester and consultation with licensees. The Board shall respond to a request pursuant to this subsection (g) concerning a particular event before the start of the event or, if it is not feasible to respond before the start of the event, as soon as practicable.

(h) The Board and master sports wagering licensees may cooperate with investigations conducted by sports governing bodies or law enforcement agencies, including, but not limited to, providing and facilitating the provision of account-level betting information and audio or video files relating to persons placing wagers.

(i) A master sports wagering licensee shall make commercially reasonable efforts to promptly notify the Board any information relating to:

(1) criminal or disciplinary proceedings commenced against the master sports wagering licensee in connection with its operations;

(2) abnormal wagering activity or patterns that may indicate a concern with the integrity of a sports event or sports events;

(3) any potential breach of the relevant sports governing body's internal rules and codes of conduct pertaining to sports wagering that a licensee has knowledge of;

(4) any other conduct that corrupts a wagering outcome of a sports event or sports events for purposes of financial gain, including match fixing; and

(5) suspicious or illegal wagering activities, including use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, using agents to place wagers, and using false identification.

A master sports wagering licensee shall also make commercially reasonable efforts to promptly report information relating to conduct described in paragraphs (2), (3), and (4) of this subsection (i) to the relevant sports governing body.

Section 25-20. Licenses required.

(a) No person may engage in any activity in connection with sports wagering in this State unless all necessary licenses have been obtained in accordance with this Act and the rules of the Board and the Department. The following licenses shall be issued under this Act:

(1) master sports wagering license;

(2) occupational license;

(3) supplier license;

(4) management services provider license

(5) tier 2 official league data provider license; and

(6) central system provider license.

No person or entity may engage in a sports wagering operation or activity without first obtaining the appropriate license.

(b) An applicant for a license issued under this Act shall submit an application to the Board in the form the Board requires. The applicant shall submit fingerprints for a national criminal records check by the Department of State Police and the Federal Bureau of Investigation. The fingerprints shall be furnished by the applicant's officers and directors (if a corporation), members (if a limited liability company), and partners (if a partnership). The fingerprints shall be accompanied by a signed authorization for the release of information by the Federal Bureau of Investigation. The Board may require additional background checks on licensees when they apply for license renewal, and an applicant convicted of a disqualifying offense shall not be licensed.

(c) Each master sports wagering licensee shall display the license conspicuously in the licensee's place of business or have the license available for inspection by an agent of the Board or a law enforcement agency.

(d) Each holder of an occupational license shall carry the license and have some indicia of licensure prominently displayed on his or her person when present in a gaming facility licensed under this Act at all times, in accordance with the rules of the Board.

(e) Each person licensed under this Act shall give the Board written notice within 30 days after a material change to information provided in the licensee's application for a license or renewal.

Section 25-25. Sports wagering authorized.

(a) Notwithstanding any provision of law to the contrary, the operation of sports wagering is only lawful when conducted in accordance with the provisions of this Act and the rules of the Illinois Gaming Board and the Department of the Lottery.

(b) A person placing a wager under this Act shall be at least 21 years of age.

(c) A licensee under this Act may not accept a wager on a minor league sports event.

(d) A licensee under this Act may not accept a wager for a sports event involving an Illinois collegiate team.

(e) A licensee under this Act may only accept a wager from a person physically located in the State.

(f) Master sports wagering licensees may use any data source for determining the results of all tier 1 sports wagers.

(g) A sports governing body headquartered in the United States may notify the Board that it desires to supply official league data to master sports wagering licensees for determining the results of tier 2 sports wagers. Such notification shall be made in the form and manner as the Board may require. If a sports governing body does not notify the Board of its desire to supply official league data, a master sports wagering licensee may use any data source for determining the results of any and all tier 2 sports wagers on sports contests for that sports governing body.

Within 30 days of a sports governing body notifying the Board, master sports wagering licensees shall use only official league data to determine the results of tier 2 sports wagers on sports events sanctioned by that sports governing body, unless: (1) the sports governing body or designee cannot provide a feed of official league data to determine the results of a particular type of tier 2 sports wager, in which case master sports wagering licensees may use any data source for determining the results of the applicable tier 2 sports wager until such time as such data feed becomes available on commercially reasonable terms; or (2) a master sports wagering licensee can demonstrate to the Board that the sports governing body or its designee cannot provide a feed of official league data to the master sports wagering licensee on commercially reasonable terms. During the pendency of the Board's determination, such master sports wagering licensee may use any data source for determining the results of any and all tier 2 sports wagers.

(h) A licensee under this Act may not accept wagers on a kindergarten through 12th grade sports event.

Section 25-30. Master sports wagering license issued to an organization licensee.

(a) An organization licensee may apply to the Board for a master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses to organization licensees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

For the purposes of this subsection (a), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(b) Except as otherwise provided in this subsection (b), the initial license fee for a master sports wagering license for an organization licensee is 5% of its handle from the preceding calendar year or the lowest amount that is required to be paid as an initial license fee by an owners licensee under subsection (b) of Section 25-35, whichever is greater. No initial license fee shall exceed \$10,000,000. An organization licensee licensed on the effective date of this Act shall pay the initial master sports wagering license fee by July 1, 2020. For an organization licensee licensed after the effective date of this Act, the master sports wagering license fee shall be \$5,000,000, but the amount shall be adjusted 12 months after the organization licensee begins racing operations based on 5% of its handle from the first 12 months of racing operations. The master sports wagering license is valid for 4 years.

(c) The organization licensee may renew the master sports wagering license for a period of 4 years by paying a \$1,000,000 renewal fee to the Board.

(d) An organization licensee issued a master sports wagering license may conduct sports wagering:

(1) at its facility at which inter-track wagering is conducted pursuant to an inter-track wagering license under the Illinois Horse Racing Act of 1975;

(2) at 3 inter-track wagering locations if the inter-track wagering location licensee from which it derives its license is an organization licensee that is issued a master sports wagering license; and

(3) over the Internet or through a mobile application.

(e) The sports wagering offered over the Internet or through a mobile application shall only be offered under the same brand as the organization licensee is operating under.

(f) Until issuance of the first license under Section 25-45, an individual must register in person at a facility under paragraph (1) or (2) of subsection (d) to participate in sports wagering offered over the Internet or through a mobile application.

Section 25-35. Master sports wagering license issued to an owners licensee.

(a) An owners licensee may apply to the Board for a master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses to owners licensees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

For the purposes of this subsection (a), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(b) Except as otherwise provided in subsection (b-5), the initial license fee for a master sports wagering license for an owners licensee is 5% of its adjusted gross receipts from the preceding calendar year. No initial license fee shall exceed \$10,000,000. An owners licensee licensed on the effective date of this Act shall pay the initial master sports wagering license fee by July 1, 2020. The master sports wagering license is valid for 4 years.

(b-5) For an owners licensee licensed after the effective date of this Act, the master sports wagering license fee shall be \$5,000,000, but the amount shall be adjusted 12 months after the owners licensee begins gambling operations under the Illinois Gambling Act based on 5% of its adjusted gross receipts from the first 12 months of gambling operations. The master sports wagering license is valid for 4 years.

(c) The owners licensee may renew the master sports wagering license for a period of 4 years by paying a \$1,000,000 renewal fee to the Board.

(d) An owners licensee issued a master sports wagering license may conduct sports wagering:

(1) at its facility in this State that is authorized to conduct gambling operations under the Illinois Gambling Act; and

(2) over the Internet or through a mobile application.

(e) The sports wagering offered over the Internet or through a mobile application shall only be offered under the same brand as the owners licensee is operating under.

(f) Until issuance of the first license under Section 25-45, an individual must register in person at a facility under paragraph (1) of subsection (d) to participate in sports wagering offered over the Internet or through a mobile application.

Section 25-40. Master sports wagering license issued to a sports facility.

(a) As used in this Section, "designee" means a master sports wagering licensee under Section 25-30, 25-35, or 25-45 or a management services provider licensee.

(b) A sports facility or a designee contracted to operate sports wagering at or within a 5-block radius of the sports facility may apply to the Board for a master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses to sports facilities or their designees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

For the purposes of this subsection (b), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(c) The Board may issue up to 7 master sports wagering licenses to sports facilities or their designees that meet the requirements for licensure as determined by rule by the Board. If more than 7 qualified applicants apply for a master sports wagering license under this Section, the licenses shall be granted in the order in which the applications were received. If a license is denied, revoked, or not renewed, the Board may begin a new application process and issue a license under this Section in the order in which the application was received.

(d) The initial license fee for a master sports wagering license for a sports facility is \$10,000,000. The master sports wagering license is valid for 4 years.

(e) The sports facility or its designee may renew the master sports wagering license for a period of 4 years by paying a \$1,000,000 renewal fee to the Board.

(f) A sports facility or its designee issued a master sports wagering license may conduct sports wagering at or within a 5-block radius of the sports facility.

(g) A sports facility or its designee issued a master sports wagering license may conduct sports wagering over the Internet within the sports facility or within a 5-block radius of the sports facility.

(h) The sports wagering offered by a sports facility or its designee over the Internet or through a mobile application shall be offered under the same brand as the sports facility is operating under, the brand the designee is operating under, or a combination thereof.

(i) Until issuance of the first license under Section 25-45, an individual must register in person at a sports facility or the designee's facility to participate in sports wagering offered over the Internet or through a mobile application.

Section 25-45. Master sports wagering license issued to an online sports wagering operator.

(a) The Board shall issue 3 master sports wagering licenses to online sports wagering operators for a nonrefundable license fee of \$20,000,000 pursuant to an open and competitive selection process. The master sports wagering license issued under this Section may be renewed every 4 years upon payment of a \$1,000,000 renewal fee. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses under this Section and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure.

For the purposes of this subsection (a), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(b) Applications for the initial competitive selection occurring after the effective date of this Act shall be received by the Board within 540 days after the first license is issued under this Act to qualify. The Board shall announce the winning bidders for the initial competitive selection within 630 days after the first license is issued under this Act, and this time frame may be extended at the discretion of the Board.

(c) The Board shall provide public notice of its intent to solicit applications for master sports wagering licenses under this Section by posting the notice, application instructions, and materials on its website for at least 30 calendar days before the applications are due. Failure by an applicant to submit all required information may result in the application being disqualified. The Board may notify an applicant that its application is incomplete and provide an opportunity to cure by rule. Application instructions shall include a brief overview of the selection process and how applications are scored.

(d) To be eligible for a master sports wagering license under this Section, an applicant must: (1) be at least 21 years of age; (2) not have been convicted of a felony offense or a violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012 or a similar statute of any other jurisdiction; (3) not have been convicted of a crime involving dishonesty or moral turpitude; (4) have demonstrated a level of skill or knowledge that the Board determines to be necessary in order to operate sports wagering; and (5) have met standards for the holding of a license as adopted by rules of the Board.

The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of sports wagering in this State and to promote and maintain a competitive sports wagering market. After the close of the application period, the Board shall determine whether the applications meet the mandatory minimum qualification criteria and conduct a comprehensive, fair, and impartial evaluation of all qualified applications.

(e) The Board shall open all qualified applications in a public forum and disclose the applicants' names. The Board shall summarize the terms of the proposals and make the summaries available to the public on its website.

(f) Not more than 90 days after the publication of the qualified applications, the Board shall identify the winning bidders. In granting the licenses, the Board may give favorable consideration to qualified applicants presenting plans that provide for economic development and community engagement. To the extent permitted by federal and State law, the Board may give favorable consideration to qualified applicants demonstrating commitment to diversity in the workplace.

(g) Upon selection of the winning bidders, the Board shall have a reasonable period of time to ensure compliance with all applicable statutory and regulatory criteria before issuing the licenses. If the Board determines a winning bidder does not satisfy all applicable statutory and regulatory criteria, the Board shall select another bidder from the remaining qualified applicants.

(h) Nothing in this Section is intended to confer a property or other right, duty, privilege, or interest entitling an applicant to an administrative hearing upon denial of an application.

(i) Upon issuance of a master sports wagering license to a winning bidder, the information and plans provided in the application become a condition of the license. A master sports wagering licensee under this Section has a duty to disclose any material changes to the application. Failure to comply with the conditions or requirements in the application may subject the master sports wagering licensee under this Section to discipline, including, but not limited to, fines, suspension, and revocation of its license, pursuant to rules adopted by the Board.

(j) The Board shall disseminate information about the licensing process through media demonstrated to reach large numbers of business owners and entrepreneurs who are minorities, women, veterans, and persons with disabilities.

(k) The Department of Commerce and Economic Opportunity, in conjunction with the Board, shall conduct ongoing, thorough, and comprehensive outreach to businesses owned by minorities, women, veterans, and persons with disabilities about contracting and entrepreneurial opportunities in sports wagering. This outreach shall include, but not be limited to:

(1) cooperating and collaborating with other State boards, commissions, and agencies; public and private universities and community colleges; and local governments to target outreach efforts; and

(2) working with organizations serving minorities, women, and persons with disabilities to establish and conduct training for employment in sports wagering.

(l) The Board shall partner with the Department of Labor, the Department of Financial and Professional Regulation, and the Department of Commerce and Economic Opportunity to identify employment opportunities within the sports wagering industry for job seekers and dislocated workers.

(m) By March 1, 2020, the Board shall prepare a request for proposals to conduct a study of the online sports wagering industry and market to determine whether there is a compelling interest in implementing remedial measures, including the application of the Business Enterprise Program under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act or a similar program to assist minorities, women, and persons with disabilities in the sports wagering industry.

As a part of the study, the Board shall evaluate race and gender-neutral programs or other methods that may be used to address the needs of minority and women applicants and minority-owned and women-owned businesses seeking to participate in the sports wagering industry. The Board shall submit to the General Assembly and publish on its website the results of this study by August 1, 2020.

If, as a result of the study conducted under this subsection (m), the Board finds that there is a compelling interest in implementing remedial measures, the Board may adopt rules, including emergency rules, to implement remedial measures, if necessary and to the extent permitted by State and federal law, based on the findings of the study conducted under this subsection (m).

Section 25-50. Supplier license.

(a) The Board may issue a supplier license to a person to sell or lease sports wagering equipment, systems, or other gaming items to conduct sports wagering and offer services related to the equipment or other gaming items and data to a master sports wagering licensee while the license is active.

(b) The Board may adopt rules establishing additional requirements for a supplier and any system or other equipment utilized for sports wagering. The Board may accept licensing by another jurisdiction that it specifically determines to have similar licensing requirements as evidence the applicant meets supplier licensing requirements.

(c) An applicant for a supplier license shall demonstrate that the equipment, system, or services that the applicant plans to offer to the master sports wagering licensee conforms to standards established by the Board and applicable State law. The Board may accept approval by another jurisdiction that it specifically determines have similar equipment standards as evidence the applicant meets the standards established by the Board and applicable State law.

(d) Applicants shall pay to the Board a nonrefundable license and application fee in the amount of \$150,000. After the initial 4-year term, the Board shall renew supplier licenses annually thereafter. Renewal of a supplier license shall be granted to a renewal applicant who has continued to comply with all applicable statutory and regulatory requirements, upon submission of the Board-issued renewal form and payment of a \$150,000 renewal fee.

(e) A supplier shall submit to the Board a list of all sports wagering equipment and services sold, delivered, or offered to a master sports wagering licensee in this State, as required by the Board, all of which must be tested and approved by an independent testing laboratory approved by the Board. A master sports wagering licensee may continue to use supplies acquired from a licensed supplier, even if a supplier's license expires or is otherwise canceled, unless the Board finds a defect in the supplies.

Section 25-55. Management services provider license.

(a) A master sports wagering licensee may contract with an entity to conduct that operation in accordance with the rules of the Board and the provisions of this Act. That entity shall obtain a license as a management services provider before the execution of any such contract, and the management services provider license shall be issued pursuant to the provisions of this Act and any rules adopted by the Board.

(b) Each applicant for a management services provider license shall meet all requirements for licensure and pay a nonrefundable license and application fee of \$1,000,000. The Board may adopt rules establishing additional requirements for an authorized management services provider. The Board may accept licensing by another jurisdiction that it specifically determines to have similar licensing requirements as evidence the applicant meets authorized management services provider licensing requirements.

(c) Management services provider licenses shall be renewed every 4 years to licensees who continue to be in compliance with all requirements and who pay the renewal fee of \$500,000.

(d) A person who shares in revenue shall be licensed under this Section.

Section 25-60. Tier 2 official league data provider license.

(a) A sports governing body or a sports league, organization, or association may apply to the Board for a tier 2 official league data provider license.

(b) A tier 2 official league data provider licensee may provide a master sports wagering licensee with official league data for tier 2 sports wagers. No sports governing body or sports league, organization, or association may provide tier 2 official league data to a master sports wagering licensee without a tier 2 official league data provider license.

(c) The initial license fee for a tier 2 official league data provider license is payable to the Board at the end of the first year of licensure based on the amount of data sold to master sports wagering licensees as official league data as follows:

(1) for data sales up to and including \$500,000, the fee is \$30,000;

(2) for data sales in excess of \$500,000 and up to and including \$750,000, the fee is \$60,000;

(3) for data sales in excess of \$750,000 and up to and including \$1,000,000, the fee is \$125,000;

(4) for data sales in excess of \$1,000,000 and up to and including \$1,500,000, the fee is \$250,000;

(5) for data sales in excess of \$1,500,000 and up to and including \$2,000,000, the fee is \$375,000; and

(6) for data sales in excess of \$2,000,000, the fee is \$500,000.

The license is valid for 3 years.

(d) The tier 2 official league data provider licensee may renew the license for 3 years by paying a renewal fee to the Board based on the amount of data sold to master sports wagering licensees as official league data in the immediately preceding year as provided in paragraphs (1) through (6) of subsection (c).

Section 25-65. Sports wagering at a sports facility. Sports wagering may be offered in person at or within a 5-block radius of a sports facility if sports wagering is offered by a designee, as defined in Section 25-40, and that designee has received written authorization from the relevant sports governing body that plays its home contests at the sports facility. If more than one professional sports team plays its home contests at the same sports facility, written authorization is required from all relevant sports governing bodies of those professional sports teams that play home contests at the sports facility.

Section 25-70. Lottery sports wagering pilot program.

(a) As used in this Section:

"Central system" means the hardware, software, peripherals, and network components provided by the Department's central system provider that link and support all required sports lottery terminals and the central site and that are unique and separate from the lottery central system for draw and instant games.

"Central system provider" means an individual, partnership, corporation, or limited liability company that has been licensed for the purpose of providing and maintaining a central system and the related management facilities specifically for the management of sports lottery terminals.

"Electronic card" means a card purchased from a lottery retailer.

"Lottery retailer" means a location licensed by the Department to sell lottery tickets or shares.

"Sports lottery systems" means systems provided by the central system provider consisting of sports wagering products, risk management, operations, and support services.

"Sports lottery terminal" means a terminal linked to the central system in which bills or coins are deposited or an electronic card is inserted in order to place wagers on a sports event and lottery offerings.

(b) The Department shall issue one central system provider license pursuant to an open and competitive bidding process that uses the following procedures:

(1) The Department shall make applications for the central system provider license available to the public and allow a reasonable time for applicants to submit applications to the Department.

(2) During the filing period for central system provider license applications, the Department may retain professional services to assist the Department in conducting the open and competitive bidding process.

(3) After receiving all of the bid proposals, the Department shall open all of the proposals in a public forum and disclose the prospective central system provider names and venture partners, if any.

(4) The Department shall summarize the terms of the bid proposals and may make this summary available to the public.

(5) The Department shall evaluate the bid proposals within a reasonable time and select no more than 3 final applicants to make presentations of their bid proposals to the Department.

(6) The final applicants shall make their presentations to the Department on the same day during an open session of the Department.

(7) As soon as practicable after the public presentations by the final applicants, the Department, in its discretion, may conduct further negotiations among the 3 final applicants. At the conclusion of such negotiations, the Department shall select the winning bid.

(8) Upon selection of the winning bid, the Department shall evaluate the winning bid within a reasonable period of time for licensee suitability in accordance with all applicable statutory and regulatory criteria.

(9) If the winning bidder is unable or otherwise fails to consummate the transaction, (including if the Department determines that the winning bidder does not satisfy the suitability requirements), the Department may, on the same criteria, select from the remaining bidders.

(10) The winning bidder shall pay \$20,000,000 to the Department upon being issued the central system provider license.

(c) Every sports lottery terminal offered in this State for play shall first be tested and approved pursuant to the rules of the Department, and each sports lottery terminal offered in this State for play shall conform to an approved model. For the examination of sports lottery terminals and associated equipment as required by this Section, the central system provider may utilize the services of one or more independent outside testing laboratories that have been accredited by a national accreditation body and that, in the judgment of the Department, are qualified to perform such examinations. Every sports lottery terminal offered in this State for play must meet minimum standards set by an independent outside testing laboratory approved by the Department.

(d) During the first 360 days after the effective date of this Act, sport lottery terminals may be placed in no more than 2,500 Lottery retail locations in the State. Sports lottery terminals may be placed in an additional 2,500 Lottery retail locations during the second year after the effective date of this Act.

(e) A sports lottery terminal may not directly dispense coins, cash, tokens, or any other article of exchange or value except for receipt tickets. Tickets shall be dispensed by pressing the ticket dispensing button on the sports lottery terminal at the end of the placement of one's wager or wagers. The ticket shall indicate the total amount wagered, odds for each wager placed, and the cash award for each bet placed, the time of day in a 24-hour format showing hours and minutes, the date, the terminal serial number, the sequential number of the ticket, and an encrypted validation number from which the validity of the prize may be determined. The player shall turn in this ticket to the appropriate person at a lottery retailer to receive the cash award.

(f) No lottery retailer may cause or permit any person under the age of 21 years to use a sports lottery terminal or sports wagering application. A lottery retailer who knowingly causes or permits a person under the age of 21 years to use a sports lottery terminal or sports wagering application is guilty of a business offense and shall be fined an amount not to exceed \$5,000.

(g) A sports lottery terminal shall only accept parlay wagers and fixed odds parlay wagers. The Department shall, by rule, establish the total amount, as a percentage, of all wagers placed that a lottery retailer may retain.

(h) The Department shall have jurisdiction over and shall supervise all lottery sports wagering operations governed by this Section. The Department shall have all powers necessary and proper to fully and effectively execute the provisions of this Section, including, but not limited to, the following:

(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all lottery sports wagering operations in this State.

(3) To adopt rules for the purpose of administering the provisions of this Section and to adopt rules and conditions under which all lottery sports wagering in the State shall be conducted. Such rules are to provide for the prevention of practices detrimental to the public interest and for the best interests of lottery sports wagering, including rules (i) regarding the inspection of such licensees necessary to operate a lottery retailer under any laws or rules applicable to licensees, (ii) to impose penalties for violations of the Act and its rules, and (iii) establishing standards for advertising lottery sports wagering.

(i) The Department shall adopt emergency rules to administer this Section in accordance with Section 5-45 of the Illinois Administrative Procedure Act. For the purposes of the Illinois Administrative Procedure Act, the General Assembly finds that the adoption of rules to implement this Section is deemed an emergency and necessary to the public interest, safety, and welfare.

(j) For the privilege of operating lottery sports wagering under this Section, all proceeds minus net of proceeds returned to players shall be electronically transferred daily or weekly, at the discretion of the Director of the Lottery, into the State Lottery Fund. After amounts owed to the central system provider and licensed agents, as determined by the Department, are paid from the moneys deposited into the State Lottery Fund under this subsection, the remainder shall be transferred on the 15th of each month to the Capital Projects Fund.

(k) This Section is repealed on January 1, 2024.

Section 25-75. Reporting prohibited conduct; investigations of prohibited conduct.

(a) The Board shall establish a hotline or other method of communication that allows any person to confidentially report information about prohibited conduct to the Board.

(b) The Board shall investigate all reasonable allegations of prohibited conduct and refer any allegations it deems credible to the appropriate law enforcement entity.

(c) The identity of any reporting person shall remain confidential unless that person authorizes disclosure of his or her identity or until such time as the allegation of prohibited conduct is referred to law enforcement.

(d) If the Board receives a complaint of prohibited conduct by an athlete, the Board shall notify the appropriate sports governing body of the athlete to review the complaint as provided by rule.

(e) The Board shall adopt emergency rules to administer this Section in accordance with Section 5-45 of the Illinois Administrative Procedure Act.

(f) The Board shall adopt rules governing investigations of prohibited conduct and referrals to law enforcement entities.

Section 25-80. Personal biometric data. A master sports wagering licensee shall not purchase or use any personal biometric data of an athlete unless the master sports wagering licensee has received written permission from the athlete's exclusive bargaining representative.

Section 25-85. Supplier diversity goals for sports wagering.

(a) As used in this Section only, "licensee" means a licensee under this Act other than an occupational licensee.

(b) The public policy of this State is to collaboratively work with companies that serve Illinois residents to improve their supplier diversity in a non-antagonistic manner.

(c) The Board and the Department shall require all licensees under this Act to submit an annual report by April 15, 2020 and every April 15 thereafter, in a searchable Adobe PDF format, on all procurement goals and actual spending for businesses owned by women, minorities, veterans, and persons with disabilities and small business enterprises in the previous calendar year. These goals shall be expressed as a percentage of the total work performed by the entity submitting the report, and the actual spending for all businesses owned by women, minorities, veterans, and persons with disabilities and small business enterprises shall also be expressed as a percentage of the total work performed by the entity submitting the report.

(d) Each licensee in its annual report shall include the following information:

(1) an explanation of the plan for the next year to increase participation;

(2) an explanation of the plan to increase the goals;

(3) the areas of procurement each licensee shall be actively seeking more participation in the next year;

(4) an outline of the plan to alert and encourage potential vendors in that area to seek business from the licensee;

(5) an explanation of the challenges faced in finding quality vendors and offer any suggestions for what the Board could do to be helpful to identify those vendors;

(6) a list of the certifications the licensee recognizes;

(7) the point of contact for any potential vendor who wishes to do business with the licensee and explain the process for a vendor to enroll with the licensee as a businesses owned by women, minorities, veterans, or persons with disabilities; and

(8) any particular success stories to encourage other licensee to emulate best practices.

(e) Each annual report shall include as much State-specific data as possible. If the submitting entity does not submit State-specific data, then the licensee shall include any national data it does have and explain why it could not submit State-specific data and how it intends to do so in future reports, if possible.

(f) Each annual report shall include the rules, regulations, and definitions used for the procurement goals in the licensee's annual report.

(g) The Board, Department, and all licensees shall hold an annual workshop and job fair open to the public in 2020 and every year thereafter on the state of supplier diversity to collaboratively seek solutions to structural impediments to achieving stated goals, including testimony from each licensee as well as subject matter experts and advocates. The Board and Department shall publish a database on their websites of the point of contact for licensees they regulate under this Act for supplier diversity, along with a list of certifications each licensee recognizes from the information submitted in each annual report. The Board and Department shall publish each annual report on their websites and shall maintain each annual report for at least 5 years.

Section 25-90. Tax; Sports Wagering Fund.

(a) For the privilege of holding a license to operate sports wagering under this Act, this State shall impose and collect 15% of a master sports wagering licensee's adjusted gross sports wagering receipts from sports wagering. The accrual method of accounting shall be used for purposes of calculating the amount of the tax owed by the licensee.

The taxes levied and collected pursuant to this subsection (a) are due and payable to the Board no later than the last day of the month following the calendar month in which the adjusted gross sports wagering receipts were received and the tax obligation was accrued.

(a-5) In addition to the tax imposed under subsection (a) of this Section, for the privilege of holding a license to operate sports wagering under this Act, the State shall impose and collect 2% of the adjusted gross receipts from sports wagers that are placed within a home rule county with a population of over 3,000,000 inhabitants, which shall be paid, subject to appropriation from the General Assembly, from the

Sports Wagering Fund to that home rule county for the purpose of enhancing the county's criminal justice system.

(b) The Sports Wagering Fund is hereby created as special fund in the State treasury. Except as otherwise provided in this Act, all moneys collected under this Act by the Board shall be deposited into the Sports Wagering Fund. On the 25th of each month, any moneys remaining in the Sports Wagering Fund shall be transferred to the Capital Projects Fund.

Section 25-95. Compulsive gambling. Each master sports wagering licensee shall include a statement regarding obtaining assistance with gambling problems, the text of which shall be determined by rule by the Department of Human Services, on the master sports wagering licensee's portal, Internet website, or computer or mobile application.

Section 25-100. Voluntary self-exclusion program for sports wagering. Any resident, or non-resident if allowed to participate in sports wagering, may voluntarily prohibit himself or herself from establishing a sports wagering account with a licensee under this Act. The Board and Department shall incorporate the voluntary self-exclusion program for sports wagering into any existing self-exclusion program that it operates on the effective date of this Act.

Section 25-105. Report to General Assembly. On or before January 15, 2021 and every January 15 thereafter, the Board shall provide a report to the General Assembly on sports wagering conducted under this Act.

Section 25-110. Preemption. Nothing in this Act shall be deemed to diminish the rights, privileges, or remedies of a person under any other federal or State law, rule, or regulation.

Section 25-900. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

[June 2, 2019]

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount

Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to

payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 ~~this amendatory Act of the 100th General Assembly~~, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(ff) ~~(ee)~~ In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 ~~this amendatory Act of the 100th General Assembly~~, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection (ff) ~~(ee)~~. The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection (ff) ~~(ee)~~. The adoption of emergency rules authorized by this subsection (ff) ~~(ee)~~ is deemed to be necessary for the public interest, safety, and welfare.

(gg) ~~(ff)~~ In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 ~~this amendatory Act of the 101st General Assembly~~, emergency rules may be adopted by the Department of Labor in accordance with this subsection (gg) ~~(ff)~~ to implement the changes made by Public Act 101-1 ~~this amendatory Act of the 101st General Assembly~~ to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection (gg) ~~(ff)~~ is deemed to be necessary for the public interest, safety, and welfare.

(ii) In order to provide for the expeditious and timely implementation of the provisions of Section 25-70 of the Sports Wagering Act, emergency rules to implement Section 25-70 of the Sports Wagering Act may be adopted in accordance with this subsection (ii) by the Department of the Lottery as provided in the Sports Wagering Act. The adoption of emergency rules authorized by this subsection (ii) is deemed to be necessary for the public interest, safety, and welfare.

(jj) In order to provide for the expeditious and timely implementation of the Sports Wagering Act, emergency rules to implement the Sports Wagering Act may be adopted in accordance with this subsection (jj) by the Illinois Gaming Board. The adoption of emergency rules authorized by this subsection (jj) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

Section 25-905. The State Finance Act is amended by adding Section 5.896 as follows:
(30 ILCS 105/5.896 new)
Sec. 5.896. The Sports Wagering Fund.

Section 25-910. The Riverboat Gambling Act is amended by changing Section 13 as follows:
(230 ILCS 10/13) (from Ch. 120, par. 2413)

Sec. 13. Wagering tax; rate; distribution.

(a) Until January 1, 1998, a tax is imposed on the adjusted gross receipts received from gambling games authorized under this Act at the rate of 20%.

(a-1) From January 1, 1998 until July 1, 2002, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

20% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

25% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

30% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

35% of annual adjusted gross receipts in excess of \$100,000,000.

(a-2) From July 1, 2002 until July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

(a-3) Beginning July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

27.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$37,500,000;

32.5% of annual adjusted gross receipts in excess of \$37,500,000 but not exceeding \$50,000,000;

37.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

45% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

50% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$250,000,000;

70% of annual adjusted gross receipts in excess of \$250,000,000.

An amount equal to the amount of wagering taxes collected under this subsection (a-3) that are in addition to the amount of wagering taxes that would have been collected if the wagering tax rates under subsection (a-2) were in effect shall be paid into the Common School Fund.

The privilege tax imposed under this subsection (a-3) shall no longer be imposed beginning on the earlier of (i) July 1, 2005; (ii) the first date after June 20, 2003 that riverboat gambling operations are conducted pursuant to a dormant license; or (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act. For the purposes of this subsection (a-3), the term "dormant license" means an owners license that is authorized by this Act under which no riverboat gambling operations are being conducted on June 20, 2003.

(a-4) Beginning on the first day on which the tax imposed under subsection (a-3) is no longer imposed, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

(a-8) Riverboat gambling operations conducted by a licensed manager on behalf of the State are not subject to the tax imposed under this Section.

(a-10) The taxes imposed by this Section shall be paid by the licensed owner to the Board not later than 5:00 o'clock p.m. of the day after the day when the wagers were made.

(a-15) If the privilege tax imposed under subsection (a-3) is no longer imposed pursuant to item (i) of the last paragraph of subsection (a-3), then by June 15 of each year, each owners licensee, other than an owners licensee that admitted 1,000,000 persons or fewer in calendar year 2004, must, in addition to the payment of all amounts otherwise due under this Section, pay to the Board a reconciliation payment in the amount, if any, by which the licensed owner's base amount exceeds the amount of net privilege tax paid by the licensed owner to the Board in the then current State fiscal year. A licensed owner's net privilege tax obligation due for the balance of the State fiscal year shall be reduced up to the total of the amount paid by the licensed owner in its June 15 reconciliation payment. The obligation imposed by this subsection (a-15) is binding on any person, firm, corporation, or other entity that acquires an ownership interest in any such owners license. The obligation imposed under this subsection (a-15) terminates on the earliest of: (i) July 1, 2007, (ii) the first day after the effective date of this amendatory Act of the 94th General Assembly that riverboat gambling operations are conducted pursuant to a dormant license, (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act, or (iv) the first day that a licensee under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming devices. The Board must reduce the obligation imposed under this subsection (a-15) by an amount the Board deems reasonable for any of the following reasons: (A) an act or acts of God, (B) an act of bioterrorism or terrorism or a bioterrorism or terrorism threat that was investigated by a law enforcement agency, or (C) a condition beyond the control of the owners licensee that does not result from any act or omission by the owners licensee or any of its agents and that poses a hazardous threat to the health and safety of patrons. If an owners licensee pays an amount in excess of its liability under this Section, the Board shall apply the overpayment to future payments required under this Section.

For purposes of this subsection (a-15):

"Act of God" means an incident caused by the operation of an extraordinary force that cannot be foreseen, that cannot be avoided by the exercise of due care, and for which no person can be held liable.

"Base amount" means the following:

For a riverboat in Alton, \$31,000,000.

For a riverboat in East Peoria, \$43,000,000.

For the Empress riverboat in Joliet, \$86,000,000.

For a riverboat in Metropolis, \$45,000,000.

For the Harrah's riverboat in Joliet, \$114,000,000.

For a riverboat in Aurora, \$86,000,000.

For a riverboat in East St. Louis, \$48,500,000.

For a riverboat in Elgin, \$198,000,000.

"Dormant license" has the meaning ascribed to it in subsection (a-3).

"Net privilege tax" means all privilege taxes paid by a licensed owner to the Board under this Section, less all payments made from the State Gaming Fund pursuant to subsection (b) of this Section.

The changes made to this subsection (a-15) by Public Act 94-839 are intended to restate and clarify the intent of Public Act 94-673 with respect to the amount of the payments required to be made under this subsection by an owners licensee to the Board.

(b) Until January 1, 1998, 25% of the tax revenue deposited in the State Gaming Fund under this Section shall be paid, subject to appropriation by the General Assembly, to the unit of local government which is designated as the home dock of the riverboat. Beginning January 1, 1998, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by a riverboat shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat. From the tax revenue deposited in the State Gaming Fund pursuant to riverboat gambling operations conducted by a licensed manager on behalf of the State, an amount equal to 5% of adjusted gross receipts generated pursuant to those riverboat gambling operations shall be paid monthly, subject to appropriation by the General Assembly, to the unit

of local government that is designated as the home dock of the riverboat upon which those riverboat gambling operations are conducted.

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Board (i) for the administration and enforcement of this Act and the Video Gaming Act, (ii) for distribution to the Department of State Police and to the Department of Revenue for the enforcement of this Act, and (iii) to the Department of Human Services for the administration of programs to treat problem gambling, including problem gambling from sports wagering.

(c-5) Before May 26, 2006 (the effective date of Public Act 94-804) and beginning on the effective date of this amendatory Act of the 95th General Assembly, unless any organization licensee under the Illinois Horse Racing Act of 1975 begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, after the payments required under subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund into the Horse Racing Equity Fund.

(c-10) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid into the Horse Racing Equity Fund pursuant to subsection (c-5) in the prior calendar year.

(c-15) After the payments required under subsections (b), (c), and (c-5) have been made, an amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to each home rule county with a population of over 3,000,000 inhabitants for the purpose of enhancing the county's criminal justice system.

(c-20) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid to each home rule county with a population of over 3,000,000 inhabitants pursuant to subsection (c-15) in the prior calendar year.

(c-25) On July 1, 2013 and each July 1 thereafter, \$1,600,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

(c-30) On July 1, 2013 or as soon as possible thereafter, \$92,000,000 shall be transferred from the State Gaming Fund to the School Infrastructure Fund and \$23,000,000 shall be transferred from the State Gaming Fund to the Horse Racing Equity Fund.

(c-35) Beginning on July 1, 2013, in addition to any amount transferred under subsection (c-30) of this Section, \$5,530,000 shall be transferred monthly from the State Gaming Fund to the School Infrastructure Fund.

(d) From time to time, the Board shall transfer the remainder of the funds generated by this Act into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(e) Nothing in this Act shall prohibit the unit of local government designated as the home dock of the riverboat from entering into agreements with other units of local government in this State or in other states to share its portion of the tax revenue.

(f) To the extent practicable, the Board shall administer and collect the wagering taxes imposed by this Section in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 98-18, eff. 6-7-13.)

Section 25-915. The Criminal Code of 2012 is amended by changing Sections 28-1, 28-3, and 28-5 as follows:

(720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

Sec. 28-1. Gambling.

(a) A person commits gambling when he or she:

(1) knowingly plays a game of chance or skill for money or other thing of value, unless excepted in subsection (b) of this Section;

(2) knowingly makes a wager upon the result of any game, contest, or any political nomination, appointment or election;

(3) knowingly operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device;

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(4) contracts to have or give himself or herself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, where it is at the time of making such contract intended by both parties thereto that the contract to buy or sell, or the option, whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered with the Secretary of State pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the meaning of this paragraph (4);

(5) knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager;

(6) knowingly sells pools upon the result of any game or contest of skill or chance, political nomination, appointment or election;

(7) knowingly sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery;

(8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device;

(9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or

(12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by means of the Internet. This item (12) does not apply to activities referenced in items (6), ~~and (6.1)~~, and (15) of subsection (b) of this Section.

(b) Participants in any of the following activities shall not be convicted of gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance.

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of this State.

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law. This exemption includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of the Illinois Lottery Law and its rules.

(6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.

(7) Possession of an antique slot machine that is neither used nor intended to be used

in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique slot machine is one manufactured 25 years ago or earlier.

(8) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act.

(9) Charitable games when conducted in accordance with the Charitable Games Act.

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.

(11) Gambling games conducted on riverboats when authorized by the Riverboat Gambling Act.

(12) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act.

(13) Games of skill or chance where money or other things of value can be won but no payment or purchase is required to participate.

(14) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(15) Sports wagering when conducted in accordance with the Sports Wagering Act.

(c) Sentence.

Gambling is a Class A misdemeanor. A second or subsequent conviction under subsections (a)(3) through (a)(12), is a Class 4 felony.

(d) Circumstantial evidence.

In prosecutions under this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

Sec. 28-3. Keeping a Gambling Place. A "gambling place" is any real estate, vehicle, boat or any other property whatsoever used for the purposes of gambling other than gambling conducted in the manner authorized by the Riverboat Gambling Act, the Sports Wagering Act, or the Video Gaming Act. Any person who knowingly permits any premises or property owned or occupied by him or under his control to be used as a gambling place commits a Class A misdemeanor. Each subsequent offense is a Class 4 felony. When any premises is determined by the circuit court to be a gambling place:

(a) Such premises is a public nuisance and may be proceeded against as such, and

(b) All licenses, permits or certificates issued by the State of Illinois or any subdivision or public agency thereof authorizing the serving of food or liquor on such premises shall be void; and no license, permit or certificate so cancelled shall be reissued for such premises for a period of 60 days thereafter; nor shall any person convicted of keeping a gambling place be reissued such license for one year from his conviction and, after a second conviction of keeping a gambling place, any such person shall not be reissued such license, and

(c) Such premises of any person who knowingly permits thereon a violation of any Section of this Article shall be held liable for, and may be sold to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied under any Section of this Article.

(Source: P.A. 96-34, eff. 7-13-09.)

(720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

Sec. 28-5. Seizure of gambling devices and gambling funds.

(a) Every device designed for gambling which is incapable of lawful use or every device used unlawfully for gambling shall be considered a "gambling device", and shall be subject to seizure, confiscation and destruction by the Department of State Police or by any municipal, or other local authority, within whose jurisdiction the same may be found. As used in this Section, a "gambling device" includes any slot machine, and includes any machine or device constructed for the reception of money or other thing of value and so constructed as to return, or to cause someone to return, on chance to the player thereof money, property or a right to receive money or property. With the exception of any device designed for gambling which is incapable of lawful use, no gambling device shall be forfeited or destroyed unless an individual with a property interest in said device knows of the unlawful use of the device.

(b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.

(c) If, within 60 days after any seizure pursuant to subparagraph (b) of this Section, a person having any property interest in the seized property is charged with an offense, the court which renders judgment upon

such charge shall, within 30 days after such judgment, conduct a forfeiture hearing to determine whether such property was a gambling device at the time of seizure. Such hearing shall be commenced by a written petition by the State, including material allegations of fact, the name and address of every person determined by the State to have any property interest in the seized property, a representation that written notice of the date, time and place of such hearing has been mailed to every such person by certified mail at least 10 days before such date, and a request for forfeiture. Every such person may appear as a party and present evidence at such hearing. The quantum of proof required shall be a preponderance of the evidence, and the burden of proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, an order of forfeiture and disposition of the seized property shall be entered: a gambling device shall be received by the State's Attorney, who shall effect its destruction, except that valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county wherein such seizure occurred; money and other things of value shall be received by the State's Attorney and, upon liquidation, shall be deposited in the general fund of the county wherein such seizure occurred. However, in the event that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph (b) (7) of Section 28-1 of this Code and therefore he is exempt from the charge of a gambling activity participant, the seized antique slot machine shall not be destroyed or otherwise altered until a final determination is made by the Court as to whether it is such an antique slot machine. Upon a final determination by the Court of this question in favor of the defendant, such slot machine shall be immediately returned to the defendant. Such order of forfeiture and disposition shall, for the purposes of appeal, be a final order and judgment in a civil proceeding.

(d) If a seizure pursuant to subparagraph (b) of this Section is not followed by a charge pursuant to subparagraph (c) of this Section, or if the prosecution of such charge is permanently terminated or indefinitely discontinued without any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture and destruction of a gambling device, or for the forfeiture and deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) any person having any property interest in such seized gambling device, money or other thing of value may commence separate civil proceedings in the manner provided by law.

(e) Any gambling device displayed for sale to a riverboat gambling operation or used to train occupational licensees of a riverboat gambling operation as authorized under the Riverboat Gambling Act is exempt from seizure under this Section.

(f) Any gambling equipment, devices and supplies provided by a licensed supplier in accordance with the Riverboat Gambling Act which are removed from the riverboat for repair are exempt from seizure under this Section.

(g) The following video gaming terminals are exempt from seizure under this Section:

(1) Video gaming terminals for sale to a licensed distributor or operator under the Video Gaming Act.

(2) Video gaming terminals used to train licensed technicians or licensed terminal handlers.

(3) Video gaming terminals that are removed from a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment for repair.

(h) Property seized or forfeited under this Section is subject to reporting under the Seizure and Forfeiture Reporting Act.

(i) Any sports lottery terminals provided by a central system provider that are removed from a lottery retailer for repair under the Sports Wagering Act are exempt from seizure under this Section.

(Source: P.A. 100-512, eff. 7-1-18.)

Article 30. State Fair Gaming Act

Section 30-1. Short title. This Article may be cited as the State Fair Gaming Act. References in this Article to "this Act" mean this Article.

Section 30-5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"State Fair" has the meaning given to that term in the State Fair Act.

Section 30-10. Gambling at the State Fair.

(a) The Board shall issue a licensed establishment license as provided under Section 25 of the Video Gaming Act to a concessioner who will operate at the Illinois State Fairgrounds and at the DuQuoin State Fairgrounds. The concessioner shall be chosen under the Illinois Procurement Code for an operational

period not to exceed 3 years. At the conclusion of each 3-year cycle, the Illinois Procurement Code shall be used to determine the new concessioner.

(b) Moneys bid by the concessioner shall be deposited into the State Fairgrounds Capital Improvements and Harness Racing Fund.

Section 30-15. Video gaming at the State Fair.

(a) The concessioner issued a licensed establishment license under Section 30-10 may operate: (1) up to 50 video gaming terminals as provided in the Video Gaming Act during the scheduled dates of the Illinois State Fair; and (2) up to 30 video gaming terminals as provided in the Video Gaming Act during the scheduled dates of the DuQuoin State Fair.

(b) No more than 10 video gaming terminals may be placed in any temporary pavilion where alcoholic beverages are served at either State Fair.

Section 30-20. Revenue.

(a) Notwithstanding any other law to the contrary, a tax is imposed at the rate of 35% of net terminal income received from video gaming under this Act, which shall be remitted to the Board and deposited into the State Fairgrounds Capital Improvements and Harness Racing Fund.

(b) There is created within the State treasury the State Fairgrounds Capital Improvements and Harness Racing Fund. The Department of Agriculture shall use moneys in the State Fairgrounds Capital Improvements and Harness Racing Fund as follows and in the order of priority:

(1) to provide support for a harness race meeting produced by an organization licensee under the Illinois Horse Racing Act of 1975 and which shall consist of up to 30 days of live racing per year at the Illinois State Fairgrounds in Springfield;

(2) to repair and rehabilitate fairgrounds' backstretch facilities to such a level as determined by the Department of Agriculture to be required to carry out a program of live harness racing; and

(3) for the overall repair and rehabilitation of the capital infrastructure of: (i) the Illinois State Fairgrounds in Springfield, and (ii) the DuQuoin State Fairgrounds in DuQuoin, and for no other purpose.

Notwithstanding any other law to the contrary, the entire State share of tax revenues from the race meetings under paragraph (1) of this subsection (c) shall be reinvested into the State Fairgrounds Capital Improvements and Harness Racing Fund.

Section 30-25. Rules. The Board and the Department of Agriculture may adopt rules for the implementation of this Act.

Section 30-900. The State Finance Act is amended by adding Section 5.897 as follows:

(30 ILCS 105/5.897 new)

Sec. 5.897. The State Fairgrounds Capital Improvements and Harness Racing Fund.

Article 35. Amendatory Provisions

Section 35-3. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The

adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption

of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 this amendatory Act of the 100th General Assembly, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

~~(ff) (ee)~~ In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 this amendatory Act of the 100th General Assembly, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection ~~(ff) (ee)~~. The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection ~~(ff) (ee)~~. The adoption of emergency rules authorized by this subsection ~~(ff) (ee)~~ is deemed to be necessary for the public interest, safety, and welfare.

~~(gg) (ff)~~ In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 this amendatory Act of the 101st General Assembly, emergency rules may be adopted by the Department of Labor in accordance with this subsection ~~(gg) (ff)~~ to implement the changes made by Public Act 101-1 this amendatory Act of the 101st General Assembly to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection ~~(gg) (ff)~~ is deemed to be necessary for the public interest, safety, and welfare.

(kk) In order to provide for the expeditious and timely implementation of the provisions of subsection (c) of Section 20 of the Video Gaming Act, emergency rules to implement the provisions of subsection (c) of Section 20 of the Video Gaming Act may be adopted in accordance with this subsection (kk) by the Illinois Gaming Board. The adoption of emergency rules authorized by this subsection (kk) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

Section 35-5. The Open Meetings Act is amended by changing Section 2 as follows:

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

Sec. 2. Open meetings.

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

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

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

(1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity. However, a meeting to consider an increase in compensation to a specific employee of a public body that is subject to the Local Government Wage Increase Transparency Act may not be closed and shall be open to the public and posted and held in accordance with this Act.

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

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

(4) Evidence or testimony presented in open hearing, or in closed hearing where specifically authorized by law, to a quasi-adjudicative body, as defined in this Act, provided that the body prepares and makes available for public inspection a written decision setting forth its determinative reasoning.

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

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

(7) The sale or purchase of securities, investments, or investment contracts. This exception shall not apply to the investment of assets or income of funds deposited into the Illinois Prepaid Tuition Trust Fund.

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

(9) Student disciplinary cases.

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

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

(12) The establishment of reserves or settlement of claims as provided in the Local Governmental and Governmental Employees Tort Immunity Act, if otherwise the disposition of a claim or potential claim might be prejudiced, or the review or discussion of claims, loss or risk management information, records, data, advice or communications from or with respect to any insurer of the public body or any intergovernmental risk management association or self insurance pool of which the public body is a member.

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

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

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

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

(17) The recruitment, credentialing, discipline or formal peer review of physicians or other health care professionals, or for the discussion of matters protected under the federal Patient Safety and Quality Improvement Act of 2005, and the regulations promulgated thereunder, including 42 C.F.R. Part 3 (73 FR 70732), or the federal Health Insurance Portability and Accountability Act of 1996, and the regulations promulgated thereunder, including 45 C.F.R. Parts 160, 162, and 164, by a hospital, or other institution providing medical care, that is operated by the public body.

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

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

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

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

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

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

(24) Meetings of a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.

(25) Meetings of an independent team of experts under Brian's Law.

(26) Meetings of a mortality review team appointed under the Department of Juvenile Justice Mortality Review Team Act.

(27) (Blank).

(28) Correspondence and records (i) that may not be disclosed under Section 11-9 of the Illinois Public Aid Code or (ii) that pertain to appeals under Section 11-8 of the Illinois Public Aid Code.

(29) Meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America.

(30) Those meetings or portions of meetings of a fatality review team or the Illinois Fatality Review Team Advisory Council during which a review of the death of an eligible adult in which abuse or neglect is suspected, alleged, or substantiated is conducted pursuant to Section 15 of the Adult Protective Services Act.

(31) Meetings and deliberations for decisions of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act.

(32) Meetings between the Regional Transportation Authority Board and its Service Boards when the discussion involves review by the Regional Transportation Authority Board of employment contracts under Section 28d of the Metropolitan Transit Authority Act and Sections 3A.18 and 3B.26 of the Regional Transportation Authority Act.

(33) Those meetings or portions of meetings of the advisory committee and peer review subcommittee created under Section 320 of the Illinois Controlled Substances Act during which specific controlled substance prescriber, dispenser, or patient information is discussed.

(34) Meetings of the Tax Increment Financing Reform Task Force under Section 2505-800 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(35) Meetings of the group established to discuss Medicaid capitation rates under Section 5-30.8 of the Illinois Public Aid Code.

(36) Those deliberations or portions of deliberations for decisions of the Illinois Gaming Board in which there is discussed any of the following: (i) personal, commercial, financial, or other information obtained from any source that is privileged, proprietary, confidential, or a trade secret; or (ii) information specifically exempted from the disclosure by federal or State law.

(d) Definitions. For purposes of this Section:

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

"Public office" means a position created by or under the Constitution or laws of this State, the occupant of which is charged with the exercise of some portion of the sovereign power of this State. The term

"public office" shall include members of the public body, but it shall not include organizational positions filled by members thereof, whether established by law or by a public body itself, that exist to assist the body in the conduct of its business.

"Quasi-adjudicative body" means an administrative body charged by law or ordinance with the responsibility to conduct hearings, receive evidence or testimony and make determinations based thereon, but does not include local electoral boards when such bodies are considering petition challenges.

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

(Source: P.A. 99-78, eff. 7-20-15; 99-235, eff. 1-1-16; 99-480, eff. 9-9-15; 99-642, eff. 7-28-16; 99-646, eff. 7-28-16; 99-687, eff. 1-1-17; 100-201, eff. 8-18-17; 100-465, eff. 8-31-17; 100-646, eff. 7-27-18.)

Section 35-10. The State Officials and Employees Ethics Act is amended by changing Section 5-45 as follows:

(5 ILCS 430/5-45)

Sec. 5-45. Procurement; revolving door prohibition.

(a) No former officer, member, or State employee, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer, member, or State employee, during the year immediately preceding termination of State employment, participated personally and substantially in the award of State contracts, or the issuance of State contract change orders, with a cumulative value of \$25,000 or more to the person or entity, or its parent or subsidiary.

(a-5) No officer, member, or spouse or immediate family member living with such person or State employee who works for the Illinois Gaming Board or the Illinois Racing Board shall, during State employment or within a period of 2 years immediately after leaving office or of termination of State employment, hold an ownership interest in any gaming license under the Illinois Gambling Act, the Video Gaming Act, the Illinois Horse Racing Act of 1975, or the Sports Wagering Act. Any member of the General Assembly who has an ownership interest in any gaming license under the Illinois Gambling Act, the Video Gaming Act, the Illinois Horse Racing Act of 1975, or the Sports Wagering Act must divest themselves within one year after the effective date of this amendatory Act of the 101st General Assembly.

(b) No former officer of the executive branch or State employee of the executive branch with regulatory or licensing authority, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer or State employee, during the year immediately preceding termination of State employment, participated personally and substantially in making a regulatory or licensing decision that directly applied to the person or entity, or its parent or subsidiary.

(c) Within 6 months after the effective date of this amendatory Act of the 96th General Assembly, each executive branch constitutional officer and legislative leader, the Auditor General, and the Joint Committee on Legislative Support Services shall adopt a policy delineating which State positions under his or her jurisdiction and control, by the nature of their duties, may have the authority to participate personally and substantially in the award of State contracts or in regulatory or licensing decisions. The Governor shall adopt such a policy for all State employees of the executive branch not under the jurisdiction and control of any other executive branch constitutional officer.

The policies required under subsection (c) of this Section shall be filed with the appropriate ethics commission established under this Act or, for the Auditor General, with the Office of the Auditor General.

(d) Each Inspector General shall have the authority to determine that additional State positions under his or her jurisdiction, not otherwise subject to the policies required by subsection (c) of this Section, are nonetheless subject to the notification requirement of subsection (f) below due to their involvement in the award of State contracts or in regulatory or licensing decisions.

(e) The Joint Committee on Legislative Support Services, the Auditor General, and each of the executive branch constitutional officers and legislative leaders subject to subsection (c) of this Section shall provide written notification to all employees in positions subject to the policies required by subsection (c) or a determination made under subsection (d): (1) upon hiring, promotion, or transfer into the relevant position; and (2) at the time the employee's duties are changed in such a way as to qualify that employee. An employee receiving notification must certify in writing that the person was advised of the prohibition and the requirement to notify the appropriate Inspector General in subsection (f).

(f) Any State employee in a position subject to the policies required by subsection (c) or to a determination under subsection (d), but who does not fall within the prohibition of subsection (h) below, who is offered non-State employment during State employment or within a period of one year immediately after termination of State employment shall, prior to accepting such non-State employment, notify the appropriate Inspector General. Within 10 calendar days after receiving notification from an employee in a position subject to the policies required by subsection (c), such Inspector General shall make a determination as to whether the State employee is restricted from accepting such employment by subsection (a) or (b). In making a determination, in addition to any other relevant information, an Inspector General shall assess the effect of the prospective employment or relationship upon decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions. A determination by an Inspector General must be in writing, signed and dated by the Inspector General, and delivered to the subject of the determination within 10 calendar days or the person is deemed eligible for the employment opportunity. For purposes of this subsection, "appropriate Inspector General" means (i) for members and employees of the legislative branch, the Legislative Inspector General; (ii) for the Auditor General and employees of the Office of the Auditor General, the Inspector General provided for in Section 30-5 of this Act; and (iii) for executive branch officers and employees, the Inspector General having jurisdiction over the officer or employee. Notice of any determination of an Inspector General and of any such appeal shall be given to the ultimate jurisdictional authority, the Attorney General, and the Executive Ethics Commission.

(g) An Inspector General's determination regarding restrictions under subsection (a) or (b) may be appealed to the appropriate Ethics Commission by the person subject to the decision or the Attorney General no later than the 10th calendar day after the date of the determination.

On appeal, the Ethics Commission or Auditor General shall seek, accept, and consider written public comments regarding a determination. In deciding whether to uphold an Inspector General's determination, the appropriate Ethics Commission or Auditor General shall assess, in addition to any other relevant information, the effect of the prospective employment or relationship upon the decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions. The Ethics Commission shall decide whether to uphold an Inspector General's determination within 10 calendar days or the person is deemed eligible for the employment opportunity.

(h) The following officers, members, or State employees shall not, within a period of one year immediately after termination of office or State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the person or entity or its parent or subsidiary, during the year immediately preceding termination of State employment, was a party to a State contract or contracts with a cumulative value of \$25,000 or more involving the officer, member, or State employee's State agency, or was the subject of a regulatory or licensing decision involving the officer, member, or State employee's State agency, regardless of whether he or she participated personally and substantially in the award of the State contract or contracts or the making of the regulatory or licensing decision in question:

- (1) members or officers;
- (2) members of a commission or board created by the Illinois Constitution;
- (3) persons whose appointment to office is subject to the advice and consent of the Senate;
- (4) the head of a department, commission, board, division, bureau, authority, or other administrative unit within the government of this State;
- (5) chief procurement officers, State purchasing officers, and their designees whose duties are directly related to State procurement; and
- (6) chiefs of staff, deputy chiefs of staff, associate chiefs of staff, assistant chiefs of staff, and deputy governors; -
- (7) employees of the Illinois Racing Board; and
- (8) employees of the Illinois Gaming Board.

(i) For the purposes of this Section, with respect to officers or employees of a regional transit board, as defined in this Act, the phrase "person or entity" does not include: (i) the United States government, (ii) the State, (iii) municipalities, as defined under Article VII, Section 1 of the Illinois Constitution, (iv) units of local government, as defined under Article VII, Section 1 of the Illinois Constitution, or (v) school districts.

(Source: P.A. 96-555, eff. 8-18-09; 97-653, eff. 1-13-12.)

Section 35-15. The Alcoholism and Other Drug Abuse and Dependency Act is amended by changing Section 5-20 as follows:

(20 ILCS 301/5-20)

Sec. 5-20. Gambling disorders.

(a) Subject to appropriation, the Department shall establish a program for public education, research, and training regarding gambling disorders and the treatment and prevention of gambling disorders. Subject to specific appropriation for these stated purposes, the program must include all of the following:

(1) Establishment and maintenance of a toll-free "800" telephone number to provide crisis counseling and referral services to families experiencing difficulty as a result of gambling disorders.

(2) Promotion of public awareness regarding the recognition and prevention of gambling disorders.

(3) Facilitation, through in-service training and other means, of the availability of effective assistance programs for gambling disorders.

(4) Conducting studies to identify adults and juveniles in this State who have, or who are at risk of developing, gambling disorders.

(b) Subject to appropriation, the Department shall either establish and maintain the program or contract with a private or public entity for the establishment and maintenance of the program. Subject to appropriation, either the Department or the private or public entity shall implement the toll-free telephone number, promote public awareness, and conduct in-service training concerning gambling disorders.

(c) Subject to appropriation, the Department shall produce and supply the signs specified in Section 10.7 of the Illinois Lottery Law, Section 34.1 of the Illinois Horse Racing Act of 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1 of the Charitable Games Act, and Section 13.1 of the Illinois Riverboat Gambling Act.

(Source: P.A. 100-759, eff. 1-1-19.)

Section 35-20. The Illinois Lottery Law is amended by changing Section 9.1 as follows:

(20 ILCS 1605/9.1)

Sec. 9.1. Private manager and management agreement.

(a) As used in this Section:

"Offeror" means a person or group of persons that responds to a request for qualifications under this Section.

"Request for qualifications" means all materials and documents prepared by the Department to solicit the following from offerors:

(1) Statements of qualifications.

(2) Proposals to enter into a management agreement, including the identity of any prospective vendor or vendors that the offeror intends to initially engage to assist the offeror in performing its obligations under the management agreement.

"Final offer" means the last proposal submitted by an offeror in response to the request for qualifications, including the identity of any prospective vendor or vendors that the offeror intends to initially engage to assist the offeror in performing its obligations under the management agreement.

"Final offeror" means the offeror ultimately selected by the Governor to be the private manager for the Lottery under subsection (h) of this Section.

(b) By September 15, 2010, the Governor shall select a private manager for the total management of the Lottery with integrated functions, such as lottery game design, supply of goods and services, and advertising and as specified in this Section.

(c) Pursuant to the terms of this subsection, the Department shall endeavor to expeditiously terminate the existing contracts in support of the Lottery in effect on the effective date of this amendatory Act of the 96th General Assembly in connection with the selection of the private manager. As part of its obligation to terminate these contracts and select the private manager, the Department shall establish a mutually agreeable timetable to transfer the functions of existing contractors to the private manager so that existing Lottery operations are not materially diminished or impaired during the transition. To that end, the Department shall do the following:

(1) where such contracts contain a provision authorizing termination upon notice, the Department shall provide notice of termination to occur upon the mutually agreed timetable for transfer of functions;

(2) upon the expiration of any initial term or renewal term of the current Lottery contracts, the Department shall not renew such contract for a term extending beyond the mutually agreed timetable for transfer of functions; or

(3) in the event any current contract provides for termination of that contract upon the implementation of a contract with the private manager, the Department shall perform all necessary actions to terminate the contract on the date that coincides with the mutually agreed timetable for transfer of functions.

If the contracts to support the current operation of the Lottery in effect on the effective date of this amendatory Act of the 96th General Assembly are not subject to termination as provided for in this subsection (c), then the Department may include a provision in the contract with the private manager subsectioning a mutually agreeable methodology for incorporation.

(c-5) The Department shall include provisions in the management agreement whereby the private manager shall, for a fee, and pursuant to a contract negotiated with the Department (the "Employee Use Contract"), utilize the services of current Department employees to assist in the administration and operation of the Lottery. The Department shall be the employer of all such bargaining unit employees assigned to perform such work for the private manager, and such employees shall be State employees, as defined by the Personnel Code. Department employees shall operate under the same employment policies, rules, regulations, and procedures, as other employees of the Department. In addition, neither historical representation rights under the Illinois Public Labor Relations Act, nor existing collective bargaining agreements, shall be disturbed by the management agreement with the private manager for the management of the Lottery.

(d) The management agreement with the private manager shall include all of the following:

(1) A term not to exceed 10 years, including any renewals.

(2) A provision specifying that the Department:

(A) shall exercise actual control over all significant business decisions;

(A-5) has the authority to direct or countermand operating decisions by the private manager at any time;

(B) has ready access at any time to information regarding Lottery operations;

(C) has the right to demand and receive information from the private manager concerning any aspect of the Lottery operations at any time; and

(D) retains ownership of all trade names, trademarks, and intellectual property associated with the Lottery.

(3) A provision imposing an affirmative duty on the private manager to provide the Department with material information and with any information the private manager reasonably believes the Department would want to know to enable the Department to conduct the Lottery.

(4) A provision requiring the private manager to provide the Department with advance notice of any operating decision that bears significantly on the public interest, including, but not limited to, decisions on the kinds of games to be offered to the public and decisions affecting the relative risk and reward of the games being offered, so the Department has a reasonable opportunity to evaluate and countermand that decision.

(5) A provision providing for compensation of the private manager that may consist of, among other things, a fee for services and a performance based bonus as consideration for managing the Lottery, including terms that may provide the private manager with an increase in compensation if Lottery revenues grow by a specified percentage in a given year.

(6) (Blank).

(7) A provision requiring the deposit of all Lottery proceeds to be deposited into the State Lottery Fund except as otherwise provided in Section 20 of this Act.

(8) A provision requiring the private manager to locate its principal office within the State.

(8-5) A provision encouraging that at least 20% of the cost of contracts entered into for goods and services by the private manager in connection with its management of the Lottery, other than contracts with sales agents or technical advisors, be awarded to businesses that are a minority-owned business, a women-owned business, or a business owned by a person with disability, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(9) A requirement that so long as the private manager complies with all the conditions of the agreement under the oversight of the Department, the private manager shall have the following duties and obligations with respect to the management of the Lottery:

(A) The right to use equipment and other assets used in the operation of the Lottery.

(B) The rights and obligations under contracts with retailers and vendors.

(C) The implementation of a comprehensive security program by the private manager.

(D) The implementation of a comprehensive system of internal audits.

(E) The implementation of a program by the private manager to curb compulsive

gambling by persons playing the Lottery.

(F) A system for determining (i) the type of Lottery games, (ii) the method of selecting winning tickets, (iii) the manner of payment of prizes to holders of winning tickets, (iv) the frequency of drawings of winning tickets, (v) the method to be used in selling tickets, (vi) a system for verifying the validity of tickets claimed to be winning tickets, (vii) the basis upon which retailer commissions are established by the manager, and (viii) minimum payouts.

(10) A requirement that advertising and promotion must be consistent with Section 7.8a of this Act.

(11) A requirement that the private manager market the Lottery to those residents who are new, infrequent, or lapsed players of the Lottery, especially those who are most likely to make regular purchases on the Internet as permitted by law.

(12) A code of ethics for the private manager's officers and employees.

(13) A requirement that the Department monitor and oversee the private manager's practices and take action that the Department considers appropriate to ensure that the private manager is in compliance with the terms of the management agreement, while allowing the manager, unless specifically prohibited by law or the management agreement, to negotiate and sign its own contracts with vendors.

(14) A provision requiring the private manager to periodically file, at least on an annual basis, appropriate financial statements in a form and manner acceptable to the Department.

(15) Cash reserves requirements.

(16) Procedural requirements for obtaining the prior approval of the Department when a management agreement or an interest in a management agreement is sold, assigned, transferred, or pledged as collateral to secure financing.

(17) Grounds for the termination of the management agreement by the Department or the private manager.

(18) Procedures for amendment of the agreement.

(19) A provision requiring the private manager to engage in an open and competitive bidding process for any procurement having a cost in excess of \$50,000 that is not a part of the private manager's final offer. The process shall favor the selection of a vendor deemed to have submitted a proposal that provides the Lottery with the best overall value. The process shall not be subject to the provisions of the Illinois Procurement Code, unless specifically required by the management agreement.

(20) The transition of rights and obligations, including any associated equipment or other assets used in the operation of the Lottery, from the manager to any successor manager of the lottery, including the Department, following the termination of or foreclosure upon the management agreement.

(21) Right of use of copyrights, trademarks, and service marks held by the Department in the name of the State. The agreement must provide that any use of them by the manager shall only be for the purpose of fulfilling its obligations under the management agreement during the term of the agreement.

(22) The disclosure of any information requested by the Department to enable it to comply with the reporting requirements and information requests provided for under subsection (p) of this Section.

(e) Notwithstanding any other law to the contrary, the Department shall select a private manager through a competitive request for qualifications process consistent with Section 20-35 of the Illinois Procurement Code, which shall take into account:

(1) the offeror's ability to market the Lottery to those residents who are new, infrequent, or lapsed players of the Lottery, especially those who are most likely to make regular purchases on the Internet;

(2) the offeror's ability to address the State's concern with the social effects of gambling on those who can least afford to do so;

(3) the offeror's ability to provide the most successful management of the Lottery for the benefit of the people of the State based on current and past business practices or plans of the offeror; and

(4) the offeror's poor or inadequate past performance in servicing, equipping, operating or managing a lottery on behalf of Illinois, another State or foreign government and attracting persons who are not currently regular players of a lottery.

(f) The Department may retain the services of an advisor or advisors with significant experience in financial services or the management, operation, and procurement of goods, services, and equipment for a government-run lottery to assist in the preparation of the terms of the request for qualifications and

selection of the private manager. Any prospective advisor seeking to provide services under this subsection (f) shall disclose any material business or financial relationship during the past 3 years with any potential offeror, or with a contractor or subcontractor presently providing goods, services, or equipment to the Department to support the Lottery. The Department shall evaluate the material business or financial relationship of each prospective advisor. The Department shall not select any prospective advisor with a substantial business or financial relationship that the Department deems to impair the objectivity of the services to be provided by the prospective advisor. During the course of the advisor's engagement by the Department, and for a period of one year thereafter, the advisor shall not enter into any business or financial relationship with any offeror or any vendor identified to assist an offeror in performing its obligations under the management agreement. Any advisor retained by the Department shall be disqualified from being an offeror. The Department shall not include terms in the request for qualifications that provide a material advantage whether directly or indirectly to any potential offeror, or any contractor or subcontractor presently providing goods, services, or equipment to the Department to support the Lottery, including terms contained in previous responses to requests for proposals or qualifications submitted to Illinois, another State or foreign government when those terms are uniquely associated with a particular potential offeror, contractor, or subcontractor. The request for proposals offered by the Department on December 22, 2008 as "LOT08GAMESYS" and reference number "22016176" is declared void.

(g) The Department shall select at least 2 offerors as finalists to potentially serve as the private manager no later than August 9, 2010. Upon making preliminary selections, the Department shall schedule a public hearing on the finalists' proposals and provide public notice of the hearing at least 7 calendar days before the hearing. The notice must include all of the following:

- (1) The date, time, and place of the hearing.
- (2) The subject matter of the hearing.
- (3) A brief description of the management agreement to be awarded.
- (4) The identity of the offerors that have been selected as finalists to serve as the private manager.
- (5) The address and telephone number of the Department.

(h) At the public hearing, the Department shall (i) provide sufficient time for each finalist to present and explain its proposal to the Department and the Governor or the Governor's designee, including an opportunity to respond to questions posed by the Department, Governor, or designee and (ii) allow the public and non-selected offerors to comment on the presentations. The Governor or a designee shall attend the public hearing. After the public hearing, the Department shall have 14 calendar days to recommend to the Governor whether a management agreement should be entered into with a particular finalist. After reviewing the Department's recommendation, the Governor may accept or reject the Department's recommendation, and shall select a final offeror as the private manager by publication of a notice in the Illinois Procurement Bulletin on or before September 15, 2010. The Governor shall include in the notice a detailed explanation and the reasons why the final offeror is superior to other offerors and will provide management services in a manner that best achieves the objectives of this Section. The Governor shall also sign the management agreement with the private manager.

(i) Any action to contest the private manager selected by the Governor under this Section must be brought within 7 calendar days after the publication of the notice of the designation of the private manager as provided in subsection (h) of this Section.

(j) The Lottery shall remain, for so long as a private manager manages the Lottery in accordance with provisions of this Act, a Lottery conducted by the State, and the State shall not be authorized to sell or transfer the Lottery to a third party.

(k) Any tangible personal property used exclusively in connection with the lottery that is owned by the Department and leased to the private manager shall be owned by the Department in the name of the State and shall be considered to be public property devoted to an essential public and governmental function.

(l) The Department may exercise any of its powers under this Section or any other law as necessary or desirable for the execution of the Department's powers under this Section.

(m) Neither this Section nor any management agreement entered into under this Section prohibits the General Assembly from authorizing forms of gambling that are not in direct competition with the Lottery. The forms of gambling authorized by this amendatory Act of the 101st General Assembly constitute authorized forms of gambling that are not in direct competition with the Lottery.

(n) The private manager shall be subject to a complete investigation in the third, seventh, and tenth years of the agreement (if the agreement is for a 10-year term) by the Department in cooperation with the Auditor General to determine whether the private manager has complied with this Section and the management agreement. The private manager shall bear the cost of an investigation or reinvestigation of the private manager under this subsection.

(o) The powers conferred by this Section are in addition and supplemental to the powers conferred by any other law. If any other law or rule is inconsistent with this Section, including, but not limited to, provisions of the Illinois Procurement Code, then this Section controls as to any management agreement entered into under this Section. This Section and any rules adopted under this Section contain full and complete authority for a management agreement between the Department and a private manager. No law, procedure, proceeding, publication, notice, consent, approval, order, or act by the Department or any other officer, Department, agency, or instrumentality of the State or any political subdivision is required for the Department to enter into a management agreement under this Section. This Section contains full and complete authority for the Department to approve any contracts entered into by a private manager with a vendor providing goods, services, or both goods and services to the private manager under the terms of the management agreement, including subcontractors of such vendors.

Upon receipt of a written request from the Chief Procurement Officer, the Department shall provide to the Chief Procurement Officer a complete and un-redacted copy of the management agreement or any contract that is subject to the Department's approval authority under this subsection (o). The Department shall provide a copy of the agreement or contract to the Chief Procurement Officer in the time specified by the Chief Procurement Officer in his or her written request, but no later than 5 business days after the request is received by the Department. The Chief Procurement Officer must retain any portions of the management agreement or of any contract designated by the Department as confidential, proprietary, or trade secret information in complete confidence pursuant to subsection (g) of Section 7 of the Freedom of Information Act. The Department shall also provide the Chief Procurement Officer with reasonable advance written notice of any contract that is pending Department approval.

Notwithstanding any other provision of this Section to the contrary, the Chief Procurement Officer shall adopt administrative rules, including emergency rules, to establish a procurement process to select a successor private manager if a private management agreement has been terminated. The selection process shall at a minimum take into account the criteria set forth in items (1) through (4) of subsection (e) of this Section and may include provisions consistent with subsections (f), (g), (h), and (i) of this Section. The Chief Procurement Officer shall also implement and administer the adopted selection process upon the termination of a private management agreement. The Department, after the Chief Procurement Officer certifies that the procurement process has been followed in accordance with the rules adopted under this subsection (o), shall select a final offeror as the private manager and sign the management agreement with the private manager.

Except as provided in Sections 21.5, 21.6, 21.7, 21.8, 21.9, and 21.10, and ~~21.11, 21.10~~ the Department shall distribute all proceeds of lottery tickets and shares sold in the following priority and manner:

(1) The payment of prizes and retailer bonuses.

(2) The payment of costs incurred in the operation and administration of the Lottery, including the payment of sums due to the private manager under the management agreement with the Department.

(3) On the last day of each month or as soon thereafter as possible, the State Comptroller shall direct and the State Treasurer shall transfer from the State Lottery Fund to the Common School Fund an amount that is equal to the proceeds transferred in the corresponding month of fiscal year 2009, as adjusted for inflation, to the Common School Fund.

(4) On or before September 30 of each fiscal year, deposit any estimated remaining proceeds from the prior fiscal year, subject to payments under items (1), (2), and (3), into the Capital Projects Fund. Beginning in fiscal year 2019, the amount deposited shall be increased or decreased each year by the amount the estimated payment differs from the amount determined from each year-end financial audit. Only remaining net deficits from prior fiscal years may reduce the requirement to deposit these funds, as determined by the annual financial audit.

(p) The Department shall be subject to the following reporting and information request requirements:

(1) the Department shall submit written quarterly reports to the Governor and the General Assembly on the activities and actions of the private manager selected under this Section;

(2) upon request of the Chief Procurement Officer, the Department shall promptly produce information related to the procurement activities of the Department and the private manager requested by the Chief Procurement Officer; the Chief Procurement Officer must retain confidential, proprietary, or trade secret information designated by the Department in complete confidence pursuant to subsection (g) of Section 7 of the Freedom of Information Act; and

(3) at least 30 days prior to the beginning of the Department's fiscal year, the Department shall prepare an annual written report on the activities of the private manager selected under this Section and deliver that report to the Governor and General Assembly.

(Source: P.A. 99-933, eff. 1-27-17; 100-391, eff. 8-25-17; 100-587, eff. 6-4-18; 100-647, eff. 7-30-18; 100-1068, eff. 8-24-18; revised 9-20-18.)

Section 35-25. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by changing Section 2505-305 as follows:

(20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

Sec. 2505-305. Investigators.

(a) The Department has the power to appoint investigators to conduct all investigations, searches, seizures, arrests, and other duties imposed under the provisions of any law administered by the Department. Except as provided in subsection (c), these investigators have and may exercise all the powers of peace officers solely for the purpose of enforcing taxing measures administered by the Department.

(b) The Director must authorize to each investigator employed under this Section and to any other employee of the Department exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Department and (ii) contains a unique identifying number. No other badge shall be authorized by the Department.

(c) The Department may enter into agreements with the Illinois Gaming Board providing that investigators appointed under this Section shall exercise the peace officer powers set forth in paragraph (20.6) of subsection (c) of Section 5 of the Illinois Riverboat Gambling Act.

(Source: P.A. 96-37, eff. 7-13-09.)

Section 35-30. The State Finance Act is amended by changing Section 6z-45 as follows:

(30 ILCS 105/6z-45)

Sec. 6z-45. The School Infrastructure Fund.

(a) The School Infrastructure Fund is created as a special fund in the State Treasury.

In addition to any other deposits authorized by law, beginning January 1, 2000, on the first day of each month, or as soon thereafter as may be practical, the State Treasurer and State Comptroller shall transfer the sum of \$5,000,000 from the General Revenue Fund to the School Infrastructure Fund, except that, notwithstanding any other provision of law, and in addition to any other transfers that may be provided for by law, before June 30, 2012, the Comptroller and the Treasurer shall transfer \$45,000,000 from the General Revenue Fund into the School Infrastructure Fund, and, for fiscal year 2013 only, the Treasurer and the Comptroller shall transfer \$1,250,000 from the General Revenue Fund to the School Infrastructure Fund on the first day of each month; provided, however, that no such transfers shall be made from July 1, 2001 through June 30, 2003.

(a-5) Money in the School Infrastructure Fund may be used to pay the expenses of the State Board of Education, the Governor's Office of Management and Budget, and the Capital Development Board in administering programs under the School Construction Law, the total expenses not to exceed \$1,315,000 in any fiscal year.

(b) Subject to the transfer provisions set forth below, money in the School Infrastructure Fund shall, if and when the State of Illinois incurs any bonded indebtedness for the construction of school improvements under subsection (e) of Section 5 of the General Obligation Bond Act, be set aside and used for the purpose of paying and discharging annually the principal and interest on that bonded indebtedness then due and payable, and for no other purpose.

In addition to other transfers to the General Obligation Bond Retirement and Interest Fund made pursuant to Section 15 of the General Obligation Bond Act, upon each delivery of bonds issued for construction of school improvements under the School Construction Law, the State Comptroller shall compute and certify to the State Treasurer the total amount of principal of, interest on, and premium, if any, on such bonds during the then current and each succeeding fiscal year. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period.

On or before the last day of each month, the State Treasurer and State Comptroller shall transfer from the School Infrastructure Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the bonds payable on their next payment date, divided by the number of monthly transfers occurring between the last previous payment date (or the delivery date if no payment date has yet occurred) and the next succeeding payment date. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period. Interest

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for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection.

(b-5) The money deposited into the School Infrastructure Fund from transfers pursuant to subsections (c-30) and (c-35) of Section 13 of the ~~Illinois Riverboat Gambling Act~~ shall be applied, without further direction, as provided in subsection (b-3) of Section 5-35 of the School Construction Law.

(c) The surplus, if any, in the School Infrastructure Fund after payments made pursuant to subsections (a-5), (b), and (b-5) of this Section shall, subject to appropriation, be used as follows:

First - to make 3 payments to the School Technology Revolving Loan Fund as follows:

Transfer of \$30,000,000 in fiscal year 1999;

Transfer of \$20,000,000 in fiscal year 2000; and

Transfer of \$10,000,000 in fiscal year 2001.

Second - to pay any amounts due for grants for school construction projects and debt service under the School Construction Law.

Third - to pay any amounts due for grants for school maintenance projects under the School Construction Law.

(Source: P.A. 100-23, eff. 7-6-17.)

Section 35-35. The Illinois Income Tax Act is amended by changing Sections 201, 303, 304, and 710 as follows:

(35 ILCS 5/201) (from Ch. 120, par. 2-201)

Sec. 201. Tax imposed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code, equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

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

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

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

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by

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

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

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

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

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

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

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

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

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

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

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

(7) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the Personal Property

Tax Replacement Income Tax for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation and, (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (7), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

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

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

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

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

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

(2) The term qualified property means property which:

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

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

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

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

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

(3) The basis of qualified property shall be the basis used to compute the depreciation

deduction for federal income tax purposes.

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

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

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

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

(g) (Blank).

(h) Investment credit; High Impact Business.

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

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

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2022, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

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

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

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

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

It is the intent of the General Assembly that the research and development credit under this subsection (k) shall apply continuously for all tax years ending on or after December 31, 2004 and ending prior to January 1, 2022, including, but not limited to, the period beginning on January 1, 2016 and ending on the effective date of this amendatory Act of the 100th General Assembly. All actions taken in reliance on the continuation of the credit under this subsection (k) by any taxpayer are hereby validated.

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related

party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of \$100,000 per site, except that the \$100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed \$40,000 per year with a maximum total of \$150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

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

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

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

For purposes of this subsection:

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

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

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

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

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

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14a of the Environmental Protection Act that were paid in performing environmental remediation at a site within a River Edge Redevelopment Zone for which

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

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

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

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

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

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

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

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

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

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

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

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

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

(Source: P.A. 100-22, eff. 7-6-17.)

(35 ILCS 5/303) (from Ch. 120, par. 3-303)

Sec. 303. (a) In general. Any item of capital gain or loss, and any item of income from rents or royalties from real or tangible personal property, interest, dividends, and patent or copyright royalties, and prizes awarded under the Illinois Lottery Law, and, for taxable years ending on or after December 31, 2019,

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wagering and gambling winnings from Illinois sources as set forth in subsection (e-1) of this Section, to the extent such item constitutes nonbusiness income, together with any item of deduction directly allocable thereto, shall be allocated by any person other than a resident as provided in this Section.

(b) Capital gains and losses.

(1) Real property. Capital gains and losses from sales or exchanges of real property are allocable to this State if the property is located in this State.

(2) Tangible personal property. Capital gains and losses from sales or exchanges of tangible personal property are allocable to this State if, at the time of such sale or exchange:

(A) The property had its situs in this State; or

(B) The taxpayer had its commercial domicile in this State and was not taxable in the state in which the property had its situs.

(3) Intangibles. Capital gains and losses from sales or exchanges of intangible personal property are allocable to this State if the taxpayer had its commercial domicile in this State at the time of such sale or exchange.

(c) Rents and royalties.

(1) Real property. Rents and royalties from real property are allocable to this State if the property is located in this State.

(2) Tangible personal property. Rents and royalties from tangible personal property are allocable to this State:

(A) If and to the extent that the property is utilized in this State; or

(B) In their entirety if, at the time such rents or royalties were paid or accrued, the taxpayer had its commercial domicile in this State and was not organized under the laws of or taxable with respect to such rents or royalties in the state in which the property was utilized. The extent of utilization of tangible personal property in a state is determined by multiplying the rents or royalties derived from such property by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.

(d) Patent and copyright royalties.

(1) Allocation. Patent and copyright royalties are allocable to this State:

(A) If and to the extent that the patent or copyright is utilized by the payer in this State; or

(B) If and to the extent that the patent or copyright is utilized by the payer in a state in which the taxpayer is not taxable with respect to such royalties and, at the time such royalties were paid or accrued, the taxpayer had its commercial domicile in this State.

(2) Utilization.

(A) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in this State if the taxpayer has its commercial domicile in this State.

(B) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in this State if the taxpayer has its commercial domicile in this State.

(e) Illinois lottery prizes. Prizes awarded under the Illinois Lottery Law are allocable to this State. Payments received in taxable years ending on or after December 31, 2013, from the assignment of a prize under Section 13.1 of the Illinois Lottery Law are allocable to this State.

(e-1) Wagering and gambling winnings. Payments received in taxable years ending on or after December 31, 2019 of winnings from pari-mutuel wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975 and from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act are allocable to this State.

(e-5) Unemployment benefits. Unemployment benefits paid by the Illinois Department of Employment Security are allocable to this State.

(f) Taxability in other state. For purposes of allocation of income pursuant to this Section, a taxpayer is taxable in another state if:

(1) In that state he is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or

(2) That state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

(g) Cross references.

(1) For allocation of interest and dividends by persons other than residents, see Section 301(c)(2).

(2) For allocation of nonbusiness income by residents, see Section 301(a).

(Source: P.A. 97-709, eff. 7-1-12; 98-496, eff. 1-1-14.)

(35 ILCS 5/304) (from Ch. 120, par. 3-304)

Sec. 304. Business income of persons other than residents.

(a) In general. The business income of a person other than a resident shall be allocated to this State if such person's business income is derived solely from this State. If a person other than a resident derives business income from this State and one or more other states, then, for tax years ending on or before December 30, 1998, and except as otherwise provided by this Section, such person's business income shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the sum of the property factor (if any), the payroll factor (if any) and 200% of the sales factor (if any), and the denominator of which is 4 reduced by the number of factors other than the sales factor which have a denominator of zero and by an additional 2 if the sales factor has a denominator of zero. For tax years ending on or after December 31, 1998, and except as otherwise provided by this Section, persons other than residents who derive business income from this State and one or more other states shall compute their apportionment factor by weighting their property, payroll, and sales factors as provided in subsection (h) of this Section.

(1) Property factor.

(A) The property factor is a fraction, the numerator of which is the average value of the person's real and tangible personal property owned or rented and used in the trade or business in this State during the taxable year and the denominator of which is the average value of all the person's real and tangible personal property owned or rented and used in the trade or business during the taxable year.

(B) Property owned by the person is valued at its original cost. Property rented by the person is valued at 8 times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the person less any annual rental rate received by the person from sub-rentals.

(C) The average value of property shall be determined by averaging the values at the beginning and ending of the taxable year but the Director may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the person's property.

(2) Payroll factor.

(A) The payroll factor is a fraction, the numerator of which is the total amount paid in this State during the taxable year by the person for compensation, and the denominator of which is the total compensation paid everywhere during the taxable year.

(B) Compensation is paid in this State if:

(i) The individual's service is performed entirely within this State;

(ii) The individual's service is performed both within and without this State, but the service performed without this State is incidental to the individual's service performed within this State; or

(iii) Some of the service is performed within this State and either the base of operations, or if there is no base of operations, the place from which the service is directed or controlled is within this State, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this State.

(iv) Compensation paid to nonresident professional athletes.

(a) General. The Illinois source income of a nonresident individual who is a member of a professional athletic team includes the portion of the individual's total compensation for services performed as a member of a professional athletic team during the taxable year which the number of duty days spent within this State performing services for the team in any manner during the taxable year bears to the total number of duty days spent both within and without this State during the taxable year.

(b) Travel days. Travel days that do not involve either a game, practice, team meeting, or other similar team event are not considered duty days spent in this State. However, such travel days are considered in the total duty days spent both within and without this State.

(c) Definitions. For purposes of this subpart (iv):

(1) The term "professional athletic team" includes, but is not limited to, any professional baseball, basketball, football, soccer, or hockey team.

(2) The term "member of a professional athletic team" includes those employees who are active players, players on the disabled list, and any other persons required to travel and who travel with and perform services on behalf of a professional athletic team on a regular basis. This includes, but is not limited to, coaches, managers, and trainers.

(3) Except as provided in items (C) and (D) of this subpart (3), the term "duty days" means all days during the taxable year from the beginning of the professional athletic team's official pre-season training period through the last game in which the team competes or is scheduled to compete. Duty days shall be counted for the year in which they occur, including where a team's official pre-season training period through the last game in which the team competes or is scheduled to compete, occurs during more than one tax year.

(A) Duty days shall also include days on which a member of a professional athletic team performs service for a team on a date that does not fall within the foregoing period (e.g., participation in instructional leagues, the "All Star Game", or promotional "caravans"). Performing a service for a professional athletic team includes conducting training and rehabilitation activities, when such activities are conducted at team facilities.

(B) Also included in duty days are game days, practice days, days spent at team meetings, promotional caravans, preseason training camps, and days served with the team through all post-season games in which the team competes or is scheduled to compete.

(C) Duty days for any person who joins a team during the period from the beginning of the professional athletic team's official pre-season training period through the last game in which the team competes, or is scheduled to compete, shall begin on the day that person joins the team. Conversely, duty days for any person who leaves a team during this period shall end on the day that person leaves the team. Where a person switches teams during a taxable year, a separate duty-day calculation shall be made for the period the person was with each team.

(D) Days for which a member of a professional athletic team is not compensated and is not performing services for the team in any manner, including days when such member of a professional athletic team has been suspended without pay and prohibited from performing any services for the team, shall not be treated as duty days.

(E) Days for which a member of a professional athletic team is on the disabled list and does not conduct rehabilitation activities at facilities of the team, and is not otherwise performing services for the team in Illinois, shall not be considered duty days spent in this State. All days on the disabled list, however, are considered to be included in total duty days spent both within and without this State.

(4) The term "total compensation for services performed as a member of a professional athletic team" means the total compensation received during the taxable year for services performed:

(A) from the beginning of the official pre-season training period through the last game in which the team competes or is scheduled to compete during that taxable year; and

(B) during the taxable year on a date which does not fall within the foregoing period (e.g., participation in instructional leagues, the "All Star Game", or promotional caravans).

This compensation shall include, but is not limited to, salaries, wages, bonuses as described in this subpart, and any other type of compensation paid during the taxable year to a member of a professional athletic team for services performed in that year. This compensation does not include strike benefits, severance pay, termination pay, contract or option year buy-out payments, expansion or relocation payments, or any other payments not related to services performed for the team.

For purposes of this subparagraph, "bonuses" included in "total compensation for services performed as a member of a professional athletic team" subject to the allocation described in Section 302(c)(1) are: bonuses earned as a result of play (i.e., performance bonuses) during the season, including bonuses paid for championship, playoff or "bowl" games played by a team, or for selection to all-star league or other honorary positions; and bonuses paid for signing a contract, unless the payment of the signing bonus is not conditional upon the signee playing any games for the team or performing any subsequent services for the team or even making the team, the signing

bonus is payable separately from the salary and any other compensation, and the signing bonus is nonrefundable.

(3) Sales factor.

(A) The sales factor is a fraction, the numerator of which is the total sales of the person in this State during the taxable year, and the denominator of which is the total sales of the person everywhere during the taxable year.

(B) Sales of tangible personal property are in this State if:

(i) The property is delivered or shipped to a purchaser, other than the United

States government, within this State regardless of the f. o. b. point or other conditions of the sale; or

(ii) The property is shipped from an office, store, warehouse, factory or other

place of storage in this State and either the purchaser is the United States government or the person is not taxable in the state of the purchaser; provided, however, that premises owned or leased by a person who has independently contracted with the seller for the printing of newspapers, periodicals or books shall not be deemed to be an office, store, warehouse, factory or other place of storage for purposes of this Section. Sales of tangible personal property are not in this State if the seller and purchaser would be members of the same unitary business group but for the fact that either the seller or purchaser is a person with 80% or more of total business activity outside of the United States and the property is purchased for resale.

(B-1) Patents, copyrights, trademarks, and similar items of intangible personal property.

(i) Gross receipts from the licensing, sale, or other disposition of a patent, copyright, trademark, or similar item of intangible personal property, other than gross receipts governed by paragraph (B-7) of this item (3), are in this State to the extent the item is utilized in this State during the year the gross receipts are included in gross income.

(ii) Place of utilization.

(I) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If a patent is utilized in more than one state, the extent to which it is utilized in any one state shall be a fraction equal to the gross receipts of the licensee or purchaser from sales or leases of items produced, fabricated, manufactured, or processed within that state using the patent and of patented items produced within that state, divided by the total of such gross receipts for all states in which the patent is utilized.

(II) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If a copyright is utilized in more than one state, the extent to which it is utilized in any one state shall be a fraction equal to the gross receipts from sales or licenses of materials printed or published in that state divided by the total of such gross receipts for all states in which the copyright is utilized.

(III) Trademarks and other items of intangible personal property governed by this paragraph (B-1) are utilized in the state in which the commercial domicile of the licensee or purchaser is located.

(iii) If the state of utilization of an item of property governed by this paragraph

(B-1) cannot be determined from the taxpayer's books and records or from the books and records of any person related to the taxpayer within the meaning of Section 267(b) of the Internal Revenue Code, 26 U.S.C. 267, the gross receipts attributable to that item shall be excluded from both the numerator and the denominator of the sales factor.

(B-2) Gross receipts from the license, sale, or other disposition of patents, copyrights, trademarks, and similar items of intangible personal property, other than gross receipts governed by paragraph (B-7) of this item (3), may be included in the numerator or denominator of the sales factor only if gross receipts from licenses, sales, or other disposition of such items comprise more than 50% of the taxpayer's total gross receipts included in gross income during the tax year and during each of the 2 immediately preceding tax years; provided that, when a taxpayer is a member of a unitary business group, such determination shall be made on the basis of the gross receipts of the entire unitary business group.

(B-5) For taxable years ending on or after December 31, 2008, except as provided in subsections (ii) through (vii), receipts from the sale of telecommunications service or mobile telecommunications service are in this State if the customer's service address is in this State.

(i) For purposes of this subparagraph (B-5), the following terms have the following meanings:

"Ancillary services" means services that are associated with or incidental to the

provision of "telecommunications services", including but not limited to "detailed telecommunications billing", "directory assistance", "vertical service", and "voice mail services".

"Air-to-Ground Radiotelephone service" means a radio service, as that term is defined in 47 CFR 22.99, in which common carriers are authorized to offer and provide radio telecommunications service for hire to subscribers in aircraft.

"Call-by-call Basis" means any method of charging for telecommunications services where the price is measured by individual calls.

"Communications Channel" means a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points.

"Conference bridging service" means an "ancillary service" that links two or more participants of an audio or video conference call and may include the provision of a telephone number. "Conference bridging service" does not include the "telecommunications services" used to reach the conference bridge.

"Customer Channel Termination Point" means the location where the customer either inputs or receives the communications.

"Detailed telecommunications billing service" means an "ancillary service" of separately stating information pertaining to individual calls on a customer's billing statement.

"Directory assistance" means an "ancillary service" of providing telephone number information, and/or address information.

"Home service provider" means the facilities based carrier or reseller with which the customer contracts for the provision of mobile telecommunications services.

"Mobile telecommunications service" means commercial mobile radio service, as defined in Section 20.3 of Title 47 of the Code of Federal Regulations as in effect on June 1, 1999.

"Place of primary use" means the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer. In the case of mobile telecommunications services, "place of primary use" must be within the licensed service area of the home service provider.

"Post-paid telecommunication service" means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service. A post-paid calling service includes telecommunications service, except a prepaid wireless calling service, that would be a prepaid calling service except it is not exclusively a telecommunication service.

"Prepaid telecommunication service" means the right to access exclusively telecommunications services, which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

"Prepaid Mobile telecommunication service" means a telecommunications service that provides the right to utilize mobile wireless service as well as other non-telecommunication services, including but not limited to ancillary services, which must be paid for in advance that is sold in predetermined units or dollars of which the number declines with use in a known amount.

"Private communication service" means a telecommunication service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels.

"Service address" means:

(a) The location of the telecommunications equipment to which a customer's call is charged and from which the call originates or terminates, regardless of where the call is billed or paid;

(b) If the location in line (a) is not known, service address means the origination point of the signal of the telecommunications services first identified by either the seller's telecommunications system or in information received by the seller from its service provider where the system used to transport such signals is not that of the seller; and

(c) If the locations in line (a) and line (b) are not known, the service address means the location of the customer's place of primary use.

"Telecommunications service" means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. The term "telecommunications service" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as voice over Internet protocol services or is classified by the Federal Communications Commission as enhanced or value added. "Telecommunications service" does not include:

- (a) Data processing and information services that allow data to be generated, acquired, stored, processed, or retrieved and delivered by an electronic transmission to a purchaser when such purchaser's primary purpose for the underlying transaction is the processed data or information;
- (b) Installation or maintenance of wiring or equipment on a customer's premises;
- (c) Tangible personal property;
- (d) Advertising, including but not limited to directory advertising;
- (e) Billing and collection services provided to third parties;
- (f) Internet access service;
- (g) Radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance and routing of such services by the programming service provider. Radio and television audio and video programming services shall include but not be limited to cable service as defined in 47 USC 522(6) and audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 CFR 20.3;
- (h) "Ancillary services"; or
- (i) Digital products "delivered electronically", including but not limited to software, music, video, reading materials or ring tones.

"Vertical service" means an "ancillary service" that is offered in connection with one or more "telecommunications services", which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including "conference bridging services".

"Voice mail service" means an "ancillary service" that enables the customer to store, send or receive recorded messages. "Voice mail service" does not include any "vertical services" that the customer may be required to have in order to utilize the "voice mail service".

(ii) Receipts from the sale of telecommunications service sold on an individual call-by-call basis are in this State if either of the following applies:

- (a) The call both originates and terminates in this State.
- (b) The call either originates or terminates in this State and the service address is located in this State.

(iii) Receipts from the sale of postpaid telecommunications service at retail are in this State if the origination point of the telecommunication signal, as first identified by the service provider's telecommunication system or as identified by information received by the seller from its service provider if the system used to transport telecommunication signals is not the seller's, is located in this State.

(iv) Receipts from the sale of prepaid telecommunications service or prepaid mobile telecommunications service at retail are in this State if the purchaser obtains the prepaid card or similar means of conveyance at a location in this State. Receipts from recharging a prepaid telecommunications service or mobile telecommunications service is in this State if the purchaser's billing information indicates a location in this State.

(v) Receipts from the sale of private communication services are in this State as follows:

- (a) 100% of receipts from charges imposed at each channel termination point in this State.
- (b) 100% of receipts from charges for the total channel mileage between each channel termination point in this State.
- (c) 50% of the total receipts from charges for service segments when those segments are between 2 customer channel termination points, 1 of which is located in this State and the other is located outside of this State, which segments are separately charged.
- (d) The receipts from charges for service segments with a channel termination

point located in this State and in two or more other states, and which segments are not separately billed, are in this State based on a percentage determined by dividing the number of customer channel termination points in this State by the total number of customer channel termination points.

(vi) Receipts from charges for ancillary services for telecommunications service sold to customers at retail are in this State if the customer's primary place of use of telecommunications services associated with those ancillary services is in this State. If the seller of those ancillary services cannot determine where the associated telecommunications are located, then the ancillary services shall be based on the location of the purchaser.

(vii) Receipts to access a carrier's network or from the sale of telecommunication services or ancillary services for resale are in this State as follows:

(a) 100% of the receipts from access fees attributable to intrastate telecommunications service that both originates and terminates in this State.

(b) 50% of the receipts from access fees attributable to interstate telecommunications service if the interstate call either originates or terminates in this State.

(c) 100% of the receipts from interstate end user access line charges, if the customer's service address is in this State. As used in this subdivision, "interstate end user access line charges" includes, but is not limited to, the surcharge approved by the federal communications commission and levied pursuant to 47 CFR 69.

(d) Gross receipts from sales of telecommunication services or from ancillary services for telecommunications services sold to other telecommunication service providers for resale shall be sourced to this State using the apportionment concepts used for non-resale receipts of telecommunications services if the information is readily available to make that determination. If the information is not readily available, then the taxpayer may use any other reasonable and consistent method.

(B-7) For taxable years ending on or after December 31, 2008, receipts from the sale of broadcasting services are in this State if the broadcasting services are received in this State. For purposes of this paragraph (B-7), the following terms have the following meanings:

"Advertising revenue" means consideration received by the taxpayer in exchange for broadcasting services or allowing the broadcasting of commercials or announcements in connection with the broadcasting of film or radio programming, from sponsorships of the programming, or from product placements in the programming.

"Audience factor" means the ratio that the audience or subscribers located in this State of a station, a network, or a cable system bears to the total audience or total subscribers for that station, network, or cable system. The audience factor for film or radio programming shall be determined by reference to the books and records of the taxpayer or by reference to published rating statistics provided the method used by the taxpayer is consistently used from year to year for this purpose and fairly represents the taxpayer's activity in this State.

"Broadcast" or "broadcasting" or "broadcasting services" means the transmission or provision of film or radio programming, whether through the public airwaves, by cable, by direct or indirect satellite transmission, or by any other means of communication, either through a station, a network, or a cable system.

"Film" or "film programming" means the broadcast on television of any and all performances, events, or productions, including but not limited to news, sporting events, plays, stories, or other literary, commercial, educational, or artistic works, either live or through the use of video tape, disc, or any other type of format or medium. Each episode of a series of films produced for television shall constitute separate "film" notwithstanding that the series relates to the same principal subject and is produced during one or more tax periods.

"Radio" or "radio programming" means the broadcast on radio of any and all performances, events, or productions, including but not limited to news, sporting events, plays, stories, or other literary, commercial, educational, or artistic works, either live or through the use of an audio tape, disc, or any other format or medium. Each episode in a series of radio programming produced for radio broadcast shall constitute a separate "radio programming" notwithstanding that the series relates to the same principal subject and is produced during one or more tax periods.

(i) In the case of advertising revenue from broadcasting, the customer is the advertiser and the service is received in this State if the commercial domicile of the advertiser is in this State.

(ii) In the case where film or radio programming is broadcast by a station, a network, or a cable system for a fee or other remuneration received from the recipient of the broadcast, the portion of the service that is received in this State is measured by the portion of the

recipients of the broadcast located in this State. Accordingly, the fee or other remuneration for such service that is included in the Illinois numerator of the sales factor is the total of those fees or other remuneration received from recipients in Illinois. For purposes of this paragraph, a taxpayer may determine the location of the recipients of its broadcast using the address of the recipient shown in its contracts with the recipient or using the billing address of the recipient in the taxpayer's records.

(iii) In the case where film or radio programming is broadcast by a station, a network, or a cable system for a fee or other remuneration from the person providing the programming, the portion of the broadcast service that is received by such station, network, or cable system in this State is measured by the portion of recipients of the broadcast located in this State. Accordingly, the amount of revenue related to such an arrangement that is included in the Illinois numerator of the sales factor is the total fee or other total remuneration from the person providing the programming related to that broadcast multiplied by the Illinois audience factor for that broadcast.

(iv) In the case where film or radio programming is provided by a taxpayer that is a network or station to a customer for broadcast in exchange for a fee or other remuneration from that customer the broadcasting service is received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. Accordingly, in such a case the revenue derived by the taxpayer that is included in the taxpayer's Illinois numerator of the sales factor is the revenue from such customers who receive the broadcasting service in Illinois.

(v) In the case where film or radio programming is provided by a taxpayer that is not a network or station to another person for broadcasting in exchange for a fee or other remuneration from that person, the broadcasting service is received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. Accordingly, in such a case the revenue derived by the taxpayer that is included in the taxpayer's Illinois numerator of the sales factor is the revenue from such customers who receive the broadcasting service in Illinois.

(B-8) Gross receipts from winnings under the Illinois Lottery Law from the assignment of a prize under Section 13.1 of the Illinois Lottery Law are received in this State. This paragraph (B-8) applies only to taxable years ending on or after December 31, 2013.

(B-9) For taxable years ending on or after December 31, 2019, gross receipts from winnings from pari-mutuel wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975 or from winnings from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act are in this State.

(C) For taxable years ending before December 31, 2008, sales, other than sales governed by paragraphs (B), (B-1), (B-2), and (B-8) are in this State if:

- (i) The income-producing activity is performed in this State; or
- (ii) The income-producing activity is performed both within and without this State and a greater proportion of the income-producing activity is performed within this State than without this State, based on performance costs.

(C-5) For taxable years ending on or after December 31, 2008, sales, other than sales governed by paragraphs (B), (B-1), (B-2), (B-5), and (B-7), are in this State if any of the following criteria are met:

- (i) Sales from the sale or lease of real property are in this State if the property is located in this State.
- (ii) Sales from the lease or rental of tangible personal property are in this State if the property is located in this State during the rental period. Sales from the lease or rental of tangible personal property that is characteristically moving property, including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are in this State to the extent that the property is used in this State.
- (iii) In the case of interest, net gains (but not less than zero) and other items of income from intangible personal property, the sale is in this State if:

(a) in the case of a taxpayer who is a dealer in the item of intangible personal property within the meaning of Section 475 of the Internal Revenue Code, the income or gain is received from a customer in this State. For purposes of this subparagraph, a customer is in this State if the customer is an individual, trust or estate who is a resident of this State and, for all other customers, if the customer's commercial domicile is in this State. Unless the dealer has actual knowledge of the residence or commercial domicile of a customer during a taxable year, the

customer shall be deemed to be a customer in this State if the billing address of the customer, as shown in the records of the dealer, is in this State; or

(b) in all other cases, if the income-producing activity of the taxpayer is performed in this State or, if the income-producing activity of the taxpayer is performed both within and without this State, if a greater proportion of the income-producing activity of the taxpayer is performed within this State than in any other state, based on performance costs.

(iv) Sales of services are in this State if the services are received in this State.

For the purposes of this section, gross receipts from the performance of services provided to a corporation, partnership, or trust may only be attributed to a state where that corporation, partnership, or trust has a fixed place of business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust receiving the service does not have a fixed place of business, the services shall be deemed to be received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the services shall be deemed to be received at the office of the customer to which the services are billed. If the taxpayer is not taxable in the state in which the services are received, the sale must be excluded from both the numerator and the denominator of the sales factor. The Department shall adopt rules prescribing where specific types of service are received, including, but not limited to, publishing, and utility service.

(D) For taxable years ending on or after December 31, 1995, the following items of income shall not be included in the numerator or denominator of the sales factor: dividends; amounts included under Section 78 of the Internal Revenue Code; and Subpart F income as defined in Section 952 of the Internal Revenue Code. No inference shall be drawn from the enactment of this paragraph (D) in construing this Section for taxable years ending before December 31, 1995.

(E) Paragraphs (B-1) and (B-2) shall apply to tax years ending on or after December 31, 1999, provided that a taxpayer may elect to apply the provisions of these paragraphs to prior tax years. Such election shall be made in the form and manner prescribed by the Department, shall be irrevocable, and shall apply to all tax years; provided that, if a taxpayer's Illinois income tax liability for any tax year, as assessed under Section 903 prior to January 1, 1999, was computed in a manner contrary to the provisions of paragraphs (B-1) or (B-2), no refund shall be payable to the taxpayer for that tax year to the extent such refund is the result of applying the provisions of paragraph (B-1) or (B-2) retroactively. In the case of a unitary business group, such election shall apply to all members of such group for every tax year such group is in existence, but shall not apply to any taxpayer for any period during which that taxpayer is not a member of such group.

(b) Insurance companies.

(1) In general. Except as otherwise provided by paragraph (2), business income of an insurance company for a taxable year shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the direct premiums written for insurance upon property or risk in this State, and the denominator of which is the direct premiums written for insurance upon property or risk everywhere. For purposes of this subsection, the term "direct premiums written" means the total amount of direct premiums written, assessments and annuity considerations as reported for the taxable year on the annual statement filed by the company with the Illinois Director of Insurance in the form approved by the National Convention of Insurance Commissioners or such other form as may be prescribed in lieu thereof.

(2) Reinsurance. If the principal source of premiums written by an insurance company consists of premiums for reinsurance accepted by it, the business income of such company shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the sum of (i) direct premiums written for insurance upon property or risk in this State, plus (ii) premiums written for reinsurance accepted in respect of property or risk in this State, and the denominator of which is the sum of (iii) direct premiums written for insurance upon property or risk everywhere, plus (iv) premiums written for reinsurance accepted in respect of property or risk everywhere. For purposes of this paragraph, premiums written for reinsurance accepted in respect of property or risk in this State, whether or not otherwise determinable, may, at the election of the company, be determined on the basis of the proportion which premiums written for reinsurance accepted from companies commercially domiciled in Illinois bears to premiums written for reinsurance accepted from all sources, or, alternatively, in the proportion which the sum of the direct premiums written for insurance upon property or risk in this State by each ceding company from which reinsurance is accepted bears to the sum of the total direct premiums written by each such ceding company for the taxable year. The election made by a company under this paragraph for its first taxable year ending on or after December 31, 2011, shall be binding for

that company for that taxable year and for all subsequent taxable years, and may be altered only with the written permission of the Department, which shall not be unreasonably withheld.

(c) Financial organizations.

(1) In general. For taxable years ending before December 31, 2008, business income of a financial organization shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is its business income from sources within this State, and the denominator of which is its business income from all sources. For the purposes of this subsection, the business income of a financial organization from sources within this State is the sum of the amounts referred to in subparagraphs (A) through (E) following, but excluding the adjusted income of an international banking facility as determined in paragraph (2):

(A) Fees, commissions or other compensation for financial services rendered within this State;

(B) Gross profits from trading in stocks, bonds or other securities managed within this State;

(C) Dividends, and interest from Illinois customers, which are received within this State;

(D) Interest charged to customers at places of business maintained within this State for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts; and

(E) Any other gross income resulting from the operation as a financial organization within this State. In computing the amounts referred to in paragraphs (A) through (E) of this subsection, any amount received by a member of an affiliated group (determined under Section 1504(a) of the Internal Revenue Code but without reference to whether any such corporation is an "includible corporation" under Section 1504(b) of the Internal Revenue Code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

(2) International Banking Facility. For taxable years ending before December 31, 2008:

(A) Adjusted Income. The adjusted income of an international banking facility is its income reduced by the amount of the floor amount.

(B) Floor Amount. The floor amount shall be the amount, if any, determined by multiplying the income of the international banking facility by a fraction, not greater than one, which is determined as follows:

(i) The numerator shall be:

The average aggregate, determined on a quarterly basis, of the financial organization's loans to banks in foreign countries, to foreign domiciled borrowers (except where secured primarily by real estate) and to foreign governments and other foreign official institutions, as reported for its branches, agencies and offices within the state on its "Consolidated Report of Condition", Schedule A, Lines 2.c., 5.b., and 7.a., which was filed with the Federal Deposit Insurance Corporation and other regulatory authorities, for the year 1980, minus

The average aggregate, determined on a quarterly basis, of such loans (other than loans of an international banking facility), as reported by the financial institution for its branches, agencies and offices within the state, on the corresponding Schedule and lines of the Consolidated Report of Condition for the current taxable year, provided, however, that in no case shall the amount determined in this clause (the subtrahend) exceed the amount determined in the preceding clause (the minuend); and

(ii) the denominator shall be the average aggregate, determined on a quarterly basis, of the international banking facility's loans to banks in foreign countries, to foreign domiciled borrowers (except where secured primarily by real estate) and to foreign governments and other foreign official institutions, which were recorded in its financial accounts for the current taxable year.

(C) Change to Consolidated Report of Condition and in Qualification. In the event the Consolidated Report of Condition which is filed with the Federal Deposit Insurance Corporation and other regulatory authorities is altered so that the information required for determining the floor amount is not found on Schedule A, lines 2.c., 5.b. and 7.a., the financial institution shall notify the Department and the Department may, by regulations or otherwise, prescribe or authorize the use of an alternative source for such information. The financial institution shall also notify the Department should its international banking facility fail to qualify as such, in whole or in part, or should there be any amendment or change to the Consolidated Report of Condition, as originally filed, to the extent such amendment or change alters the information used in determining the floor amount.

(3) For taxable years ending on or after December 31, 2008, the business income of a financial organization shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is its gross receipts from sources in this State or otherwise attributable to this State's marketplace and the denominator of which is its gross receipts everywhere during the taxable year. "Gross receipts" for purposes of this subparagraph (3) means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the financial organization's trade or business. The following examples are illustrative:

(i) Receipts from the lease or rental of real or tangible personal property are in this State if the property is located in this State during the rental period. Receipts from the lease or rental of tangible personal property that is characteristically moving property, including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are from sources in this State to the extent that the property is used in this State.

(ii) Interest income, commissions, fees, gains on disposition, and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property are from sources in this State if the security is located in this State.

(iii) Interest income, commissions, fees, gains on disposition, and other receipts from consumer loans that are not secured by real or tangible personal property are from sources in this State if the debtor is a resident of this State.

(iv) Interest income, commissions, fees, gains on disposition, and other receipts from commercial loans and installment obligations that are not secured by real or tangible personal property are from sources in this State if the proceeds of the loan are to be applied in this State. If it cannot be determined where the funds are to be applied, the income and receipts are from sources in this State if the office of the borrower from which the loan was negotiated in the regular course of business is located in this State. If the location of this office cannot be determined, the income and receipts shall be excluded from the numerator and denominator of the sales factor.

(v) Interest income, fees, gains on disposition, service charges, merchant discount income, and other receipts from credit card receivables are from sources in this State if the card charges are regularly billed to a customer in this State.

(vi) Receipts from the performance of services, including, but not limited to, fiduciary, advisory, and brokerage services, are in this State if the services are received in this State within the meaning of subparagraph (a)(3)(C-5)(iv) of this Section.

(vii) Receipts from the issuance of travelers checks and money orders are from sources in this State if the checks and money orders are issued from a location within this State.

(viii) Receipts from investment assets and activities and trading assets and activities are included in the receipts factor as follows:

(1) Interest, dividends, net gains (but not less than zero) and other income from investment assets and activities from trading assets and activities shall be included in the receipts factor. Investment assets and activities and trading assets and activities include but are not limited to: investment securities; trading account assets; federal funds; securities purchased and sold under agreements to resell or repurchase; options; futures contracts; forward contracts; notional principal contracts such as swaps; equities; and foreign currency transactions. With respect to the investment and trading assets and activities described in subparagraphs (A) and (B) of this paragraph, the receipts factor shall include the amounts described in such subparagraphs.

(A) The receipts factor shall include the amount by which interest from federal funds sold and securities purchased under resale agreements exceeds interest expense on federal funds purchased and securities sold under repurchase agreements.

(B) The receipts factor shall include the amount by which interest, dividends, gains and other income from trading assets and activities, including but not limited to assets and activities in the matched book, in the arbitrage book, and foreign currency transactions, exceed amounts paid in lieu of interest, amounts paid in lieu of dividends, and losses from such assets and activities.

(2) The numerator of the receipts factor includes interest, dividends, net gains (but not less than zero), and other income from investment assets and activities and from trading assets and activities described in paragraph (1) of this subsection that are attributable to this State.

(A) The amount of interest, dividends, net gains (but not less than zero), and other income from investment assets and activities in the investment account to be attributed to this State and included in the numerator is determined by multiplying all such income from such assets and activities by a fraction, the numerator of which is the gross income from such

assets and activities which are properly assigned to a fixed place of business of the taxpayer within this State and the denominator of which is the gross income from all such assets and activities.

(B) The amount of interest from federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements attributable to this State and included in the numerator is determined by multiplying the amount described in subparagraph (A) of paragraph (1) of this subsection from such funds and such securities by a fraction, the numerator of which is the gross income from such funds and such securities which are properly assigned to a fixed place of business of the taxpayer within this State and the denominator of which is the gross income from all such funds and such securities.

(C) The amount of interest, dividends, gains, and other income from trading assets and activities, including but not limited to assets and activities in the matched book, in the arbitrage book and foreign currency transactions (but excluding amounts described in subparagraphs (A) or (B) of this paragraph), attributable to this State and included in the numerator is determined by multiplying the amount described in subparagraph (B) of paragraph (1) of this subsection by a fraction, the numerator of which is the gross income from such trading assets and activities which are properly assigned to a fixed place of business of the taxpayer within this State and the denominator of which is the gross income from all such assets and activities.

(D) Properly assigned, for purposes of this paragraph (2) of this subsection, means the investment or trading asset or activity is assigned to the fixed place of business with which it has a preponderance of substantive contacts. An investment or trading asset or activity assigned by the taxpayer to a fixed place of business without the State shall be presumed to have been properly assigned if:

- (i) the taxpayer has assigned, in the regular course of its business, such asset or activity on its records to a fixed place of business consistent with federal or state regulatory requirements;
- (ii) such assignment on its records is based upon substantive contacts of the asset or activity to such fixed place of business; and
- (iii) the taxpayer uses such records reflecting assignment of such assets or activities for the filing of all state and local tax returns for which an assignment of such assets or activities to a fixed place of business is required.

(E) The presumption of proper assignment of an investment or trading asset or activity provided in subparagraph (D) of paragraph (2) of this subsection may be rebutted upon a showing by the Department, supported by a preponderance of the evidence, that the preponderance of substantive contacts regarding such asset or activity did not occur at the fixed place of business to which it was assigned on the taxpayer's records. If the fixed place of business that has a preponderance of substantive contacts cannot be determined for an investment or trading asset or activity to which the presumption in subparagraph (D) of paragraph (2) of this subsection does not apply or with respect to which that presumption has been rebutted, that asset or activity is properly assigned to the state in which the taxpayer's commercial domicile is located. For purposes of this subparagraph (E), it shall be presumed, subject to rebuttal, that taxpayer's commercial domicile is in the state of the United States or the District of Columbia to which the greatest number of employees are regularly connected with the management of the investment or trading income or out of which they are working, irrespective of where the services of such employees are performed, as of the last day of the taxable year.

(4) (Blank).

(5) (Blank).

(c-1) Federally regulated exchanges. For taxable years ending on or after December 31, 2012, business income of a federally regulated exchange shall, at the option of the federally regulated exchange, be apportioned to this State by multiplying such income by a fraction, the numerator of which is its business income from sources within this State, and the denominator of which is its business income from all sources. For purposes of this subsection, the business income within this State of a federally regulated exchange is the sum of the following:

- (1) Receipts attributable to transactions executed on a physical trading floor if that physical trading floor is located in this State.
- (2) Receipts attributable to all other matching, execution, or clearing transactions,

including without limitation receipts from the provision of matching, execution, or clearing services to another entity, multiplied by (i) for taxable years ending on or after December 31, 2012 but before December 31, 2013, 63.77%; and (ii) for taxable years ending on or after December 31, 2013, 27.54%.

(3) All other receipts not governed by subparagraphs (1) or (2) of this subsection (c-1), to the extent the receipts would be characterized as "sales in this State" under item (3) of subsection (a) of this Section.

"Federally regulated exchange" means (i) a "registered entity" within the meaning of 7 U.S.C. Section 1a(40)(A), (B), or (C), (ii) an "exchange" or "clearing agency" within the meaning of 15 U.S.C. Section 78c (a)(1) or (23), (iii) any such entities regulated under any successor regulatory structure to the foregoing, and (iv) all taxpayers who are members of the same unitary business group as a federally regulated exchange, determined without regard to the prohibition in Section 1501(a)(27) of this Act against including in a unitary business group taxpayers who are ordinarily required to apportion business income under different subsections of this Section; provided that this subparagraph (iv) shall apply only if 50% or more of the business receipts of the unitary business group determined by application of this subparagraph (iv) for the taxable year are attributable to the matching, execution, or clearing of transactions conducted by an entity described in subparagraph (i), (ii), or (iii) of this paragraph.

In no event shall the Illinois apportionment percentage computed in accordance with this subsection (c-1) for any taxpayer for any tax year be less than the Illinois apportionment percentage computed under this subsection (c-1) for that taxpayer for the first full tax year ending on or after December 31, 2013 for which this subsection (c-1) applied to the taxpayer.

(d) Transportation services. For taxable years ending before December 31, 2008, business income derived from furnishing transportation services shall be apportioned to this State in accordance with paragraphs (1) and (2):

(1) Such business income (other than that derived from transportation by pipeline) shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For purposes of this paragraph, a revenue mile is the transportation of 1 passenger or 1 net ton of freight the distance of 1 mile for a consideration. Where a person is engaged in the transportation of both passengers and freight, the fraction above referred to shall be determined by means of an average of the passenger revenue mile fraction and the freight revenue mile fraction, weighted to reflect the person's

(A) relative railway operating income from total passenger and total freight service, as reported to the Interstate Commerce Commission, in the case of transportation by railroad, and

(B) relative gross receipts from passenger and freight transportation, in case of transportation other than by railroad.

(2) Such business income derived from transportation by pipeline shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For the purposes of this paragraph, a revenue mile is the transportation by pipeline of 1 barrel of oil, 1,000 cubic feet of gas, or of any specified quantity of any other substance, the distance of 1 mile for a consideration.

(3) For taxable years ending on or after December 31, 2008, business income derived from providing transportation services other than airline services shall be apportioned to this State by using a fraction, (a) the numerator of which shall be (i) all receipts from any movement or shipment of people, goods, mail, oil, gas, or any other substance (other than by airline) that both originates and terminates in this State, plus (ii) that portion of the person's gross receipts from movements or shipments of people, goods, mail, oil, gas, or any other substance (other than by airline) that originates in one state or jurisdiction and terminates in another state or jurisdiction, that is determined by the ratio that the miles traveled in this State bears to total miles everywhere and (b) the denominator of which shall be all revenue derived from the movement or shipment of people, goods, mail, oil, gas, or any other substance (other than by airline). Where a taxpayer is engaged in the transportation of both passengers and freight, the fraction above referred to shall first be determined separately for passenger miles and freight miles. Then an average of the passenger miles fraction and the freight miles fraction shall be weighted to reflect the taxpayer's:

(A) relative railway operating income from total passenger and total freight service, as reported to the Surface Transportation Board, in the case of transportation by railroad; and

(B) relative gross receipts from passenger and freight transportation, in case of transportation other than by railroad.

(4) For taxable years ending on or after December 31, 2008, business income derived from furnishing airline transportation services shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For purposes of this paragraph, a revenue mile is the transportation of one passenger or one net ton of freight the distance of one mile for a consideration. If a person is engaged in the transportation of both passengers and freight, the fraction above referred to shall be determined by means of an average of the passenger revenue mile fraction and the freight revenue mile fraction, weighted to reflect the person's relative gross receipts from passenger and freight airline transportation.

(e) Combined apportionment. Where 2 or more persons are engaged in a unitary business as described in subsection (a)(27) of Section 1501, a part of which is conducted in this State by one or more members of the group, the business income attributable to this State by any such member or members shall be apportioned by means of the combined apportionment method.

(f) Alternative allocation. If the allocation and apportionment provisions of subsections (a) through (e) and of subsection (h) do not, for taxable years ending before December 31, 2008, fairly represent the extent of a person's business activity in this State, or, for taxable years ending on or after December 31, 2008, fairly represent the market for the person's goods, services, or other sources of business income, the person may petition for, or the Director may, without a petition, permit or require, in respect of all or any part of the person's business activity, if reasonable:

- (1) Separate accounting;
- (2) The exclusion of any one or more factors;
- (3) The inclusion of one or more additional factors which will fairly represent the person's business activities or market in this State; or
- (4) The employment of any other method to effectuate an equitable allocation and apportionment of the person's business income.

(g) Cross reference. For allocation of business income by residents, see Section 301(a).

(h) For tax years ending on or after December 31, 1998, the apportionment factor of persons who apportion their business income to this State under subsection (a) shall be equal to:

- (1) for tax years ending on or after December 31, 1998 and before December 31, 1999, 16 2/3% of the property factor plus 16 2/3% of the payroll factor plus 66 2/3% of the sales factor;
- (2) for tax years ending on or after December 31, 1999 and before December 31, 2000, 8 1/3% of the property factor plus 8 1/3% of the payroll factor plus 83 1/3% of the sales factor;
- (3) for tax years ending on or after December 31, 2000, the sales factor.

If, in any tax year ending on or after December 31, 1998 and before December 31, 2000, the denominator of the payroll, property, or sales factor is zero, the apportionment factor computed in paragraph (1) or (2) of this subsection for that year shall be divided by an amount equal to 100% minus the percentage weight given to each factor whose denominator is equal to zero.

(Source: P.A. 99-642, eff. 7-28-16; 100-201, eff. 8-18-17.)

(35 ILCS 5/710) (from Ch. 120, par. 7-710)

Sec. 710. Withholding from lottery winnings.

(a) In general.

(1) Any person making a payment to a resident or nonresident of winnings under the Illinois Lottery Law and not required to withhold Illinois income tax from such payment under Subsection (b) of Section 701 of this Act because those winnings are not subject to Federal income tax withholding, must withhold Illinois income tax from such payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201, provided that withholding is not required if such payment of winnings is less than \$1,000.

(2) In the case of an assignment of a lottery prize under Section 13.1 of the Illinois Lottery Law, any person making a payment of the purchase price after December 31, 2013, shall withhold from the amount of each payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201.

(3) Any person making a payment after December 31, 2019 to a resident or nonresident of winnings from pari-mutuel wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975 or from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act must withhold Illinois income tax from such payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201, provided that the person making the payment is required to withhold under Section 3402(q) of the Internal Revenue Code.

(b) Credit for taxes withheld. Any amount withheld under Subsection (a) shall be a credit against the Illinois income tax liability of the person to whom the payment of winnings was made for the taxable year in which that person incurred an Illinois income tax liability with respect to those winnings.
(Source: P.A. 98-496, eff. 1-1-14.)

Section 35-40. The Joliet Regional Port District Act is amended by changing Section 5.1 as follows:
(70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

Sec. 5.1. Riverboat and casino gambling. Notwithstanding any other provision of this Act, the District may not regulate the operation, conduct, or navigation of any riverboat gambling casino licensed under the Illinois Riverboat Gambling Act, and the District may not license, tax, or otherwise levy any assessment of any kind on any riverboat gambling casino licensed under the Illinois Riverboat Gambling Act. The General Assembly declares that the powers to regulate the operation, conduct, and navigation of riverboat gambling casinos and to license, tax, and levy assessments upon riverboat gambling casinos are exclusive powers of the State of Illinois and the Illinois Gaming Board as provided in the Illinois Riverboat Gambling Act.

(Source: P.A. 87-1175.)

Section 35-45. The Consumer Installment Loan Act is amended by changing Section 12.5 as follows:
(205 ILCS 670/12.5)

Sec. 12.5. Limited purpose branch.

(a) Upon the written approval of the Director, a licensee may maintain a limited purpose branch for the sole purpose of making loans as permitted by this Act. A limited purpose branch may include an automatic loan machine. No other activity shall be conducted at the site, including but not limited to, accepting payments, servicing the accounts, or collections.

(b) The licensee must submit an application for a limited purpose branch to the Director on forms prescribed by the Director with an application fee of \$300. The approval for the limited purpose branch must be renewed concurrently with the renewal of the licensee's license along with a renewal fee of \$300 for the limited purpose branch.

(c) The books, accounts, records, and files of the limited purpose branch's transactions shall be maintained at the licensee's licensed location. The licensee shall notify the Director of the licensed location at which the books, accounts, records, and files shall be maintained.

(d) The licensee shall prominently display at the limited purpose branch the address and telephone number of the licensee's licensed location.

(e) No other business shall be conducted at the site of the limited purpose branch unless authorized by the Director.

(f) The Director shall make and enforce reasonable rules for the conduct of a limited purpose branch.

(g) A limited purpose branch may not be located within 1,000 feet of a facility operated by an inter-track wagering licensee or an organization licensee subject to the Illinois Horse Racing Act of 1975, on a riverboat or in a casino subject to the Illinois Riverboat Gambling Act, or within 1,000 feet of the location at which the riverboat docks or within 1,000 feet of a casino.

(Source: P.A. 90-437, eff. 1-1-98.)

Section 35-50. The Illinois Horse Racing Act of 1975 is amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19, 20, 21, 24, 25, 26, 26.8, 26.9, 27, 29, 30, 30.5, 31, 31.1, 32.1, 36, 40, and 54.75 and by adding Sections 3.32, 3.33, 3.34, 3.35, 19.5, 34.3, and 56 as follows:

(230 ILCS 5/1.2)

Sec. 1.2. Legislative intent. This Act is intended to benefit the people of the State of Illinois by encouraging the breeding and production of race horses, assisting economic development and promoting Illinois tourism. The General Assembly finds and declares it to be the public policy of the State of Illinois to:

(a) support and enhance Illinois' horse racing industry, which is a significant component within the agribusiness industry;

(b) ensure that Illinois' horse racing industry remains competitive with neighboring states;

(c) stimulate growth within Illinois' horse racing industry, thereby encouraging new investment and development to produce additional tax revenues and to create additional jobs;

(d) promote the further growth of tourism;

(e) encourage the breeding of thoroughbred and standardbred horses in this State; and

(f) ensure that public confidence and trust in the credibility and integrity of racing operations and the regulatory process is maintained.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

Sec. 3.11. "Organization Licensee" means any person receiving an organization license from the Board to conduct a race meeting or meetings. With respect only to organization gaming, "organization licensee" includes the authorization for an organization gaming license under subsection (a) of Section 56 of this Act.

(Source: P.A. 79-1185.)

(230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel system of wagering" means a form of wagering on the outcome of horse races in which wagers are made in various denominations on a horse or horses and all wagers for each race are pooled and held by a licensee for distribution in a manner approved by the Board. "Pari-mutuel system of wagering" shall not include wagering on historic races. Wagers may be placed via any method or at any location authorized under this Act.

(Source: P.A. 96-762, eff. 8-25-09.)

(230 ILCS 5/3.32 new)

Sec. 3.32. Gross receipts. "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, or electronic cards by riverboat or casino patrons or organization gaming patrons.

(230 ILCS 5/3.33 new)

Sec. 3.33. Adjusted gross receipts. "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.

(230 ILCS 5/3.34 new)

Sec. 3.34. Organization gaming facility. "Organization gaming facility" means that portion of an organization licensee's racetrack facilities at which gaming authorized under Section 7.7 of the Illinois Gambling Act is conducted.

(230 ILCS 5/3.35 new)

Sec. 3.35. Organization gaming license. "Organization gaming license" means a license issued by the Illinois Gaming Board under Section 7.7 of the Illinois Gambling Act authorizing gaming pursuant to that Section at an organization gaming facility.

(230 ILCS 5/6) (from Ch. 8, par. 37-6)

Sec. 6. Restrictions on Board members.

(a) No person shall be appointed a member of the Board or continue to be a member of the Board if the person or any member of their immediate family is a member of the Board of Directors, employee, or financially interested in any of the following: (i) any licensee or other person who has applied for racing dates to the Board, or the operations thereof including, but not limited to, concessions, data processing, track maintenance, track security, and pari-mutuel operations, located, scheduled or doing business within the State of Illinois, (ii) any race horse competing at a meeting under the Board's jurisdiction, or (iii) any licensee under the Illinois Gambling Act. No person shall be appointed a member of the Board or continue to be a member of the Board who is (or any member of whose family is) a member of the Board of Directors of, or who is a person financially interested in, any licensee or other person who has applied for racing dates to the Board, or the operations thereof including, but not limited to, concessions, data processing, track maintenance, track security and pari-mutuel operations, located, scheduled or doing business within the State of Illinois, or in any race horse competing at a meeting under the Board's jurisdiction. No Board member shall hold any other public office for which he shall receive compensation other than necessary travel or other incidental expenses.

(b) No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.

(c) No member of the Board or employee shall engage in any political activity.

For the purposes of this subsection (c):

"Political" means any activity in support of or in connection with any campaign for State or local elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.

"Political organization" means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or county clerk under Section 9-3 of the Election Code, but only with regard to those activities that require filing with the State Board of Elections or county clerk.

(d) Board members and employees may not engage in communications or any activity that may cause or have the appearance of causing a conflict of interest. A conflict of interest exists if a situation influences or creates the appearance that it may influence judgment or performance of regulatory duties and responsibilities. This prohibition shall extend to any act identified by Board action that, in the judgment of the Board, could represent the potential for or the appearance of a conflict of interest.

(e) Board members and employees may not accept any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, limited liability company, or entity doing business with the Board.

(f) A Board member or employee shall not use or attempt to use his or her official position to secure, or attempt to secure, any privilege, advantage, favor, or influence for himself or herself or others. No Board member or employee, within a period of one year immediately preceding nomination by the Governor or employment, shall have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee or a licensee under the Illinois Gambling Act. In addition, all Board members and employees are subject to the restrictions set forth in Section 5-45 of the State Officials and Employees Ethics Act.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/9) (from Ch. 8, par. 37-9)

Sec. 9. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(a) The Board is vested with jurisdiction and supervision over all race meetings in this State, over all licensees doing business in this State, over all occupation licensees, and over all persons on the facilities of any licensee. Such jurisdiction shall include the power to issue licenses to the Illinois Department of Agriculture authorizing the pari-mutuel system of wagering on harness and Quarter Horse races held (1) at the Illinois State Fair in Sangamon County, and (2) at the DuQuoin State Fair in Pery County. The jurisdiction of the Board shall also include the power to issue licenses to county fairs which are eligible to receive funds pursuant to the Agricultural Fair Act, as now or hereafter amended, or their agents, authorizing the pari-mutuel system of wagering on horse races conducted at the county fairs receiving such licenses. Such licenses shall be governed by subsection (n) of this Section.

Upon application, the Board shall issue a license to the Illinois Department of Agriculture to conduct harness and Quarter Horse races at the Illinois State Fair and at the DuQuoin State Fairgrounds during the scheduled dates of each fair. The Board shall not require and the Department of Agriculture shall be exempt from the requirements of Sections 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5), (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24 and 25. The Board and the Department of Agriculture may extend any or all of these exemptions to any contractor or agent engaged by the Department of Agriculture to conduct its race meetings when the Board determines that this would best serve the public interest and the interest of horse racing.

Notwithstanding any provision of law to the contrary, it shall be lawful for any licensee to operate pari-mutuel wagering or contract with the Department of Agriculture to operate pari-mutuel wagering at the DuQuoin State Fairgrounds or for the Department to enter into contracts with a licensee, employ its owners, employees or agents and employ such other occupation licensees as the Department deems necessary in connection with race meetings and wagerings.

(b) The Board is vested with the full power to promulgate reasonable rules and regulations for the purpose of administering the provisions of this Act and to prescribe reasonable rules, regulations and conditions under which all horse race meetings or wagering in the State shall be conducted. Such reasonable rules and regulations are to provide for the prevention of practices detrimental to the public interest and to promote the best interests of horse racing and to impose penalties for violations thereof.

(c) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities and other places of business of any licensee to determine whether there has been compliance with the provisions of this Act and its rules and regulations.

(d) The Board, and any person or persons to whom it delegates this power, is vested with the authority to investigate alleged violations of the provisions of this Act, its reasonable rules and regulations, orders and final decisions; the Board shall take appropriate disciplinary action against any licensee or occupation licensee for violation thereof or institute appropriate legal action for the enforcement thereof.

(e) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any race meeting or the facilities of any licensee, or any part thereof, any occupation licensee or any other individual whose conduct or reputation is such that his presence on those facilities may, in the opinion of the Board, call into question the honesty and integrity of horse racing or wagering or interfere with the orderly conduct of horse racing or wagering; provided, however, that no person shall be excluded or ejected from the facilities of any licensee solely on the grounds of race, color, creed, national origin,

ancestry, or sex. The power to eject or exclude an occupation licensee or other individual may be exercised for just cause by the licensee or the Board, subject to subsequent hearing by the Board as to the propriety of said exclusion.

(f) The Board is vested with the power to acquire, establish, maintain and operate (or provide by contract to maintain and operate) testing laboratories and related facilities, for the purpose of conducting saliva, blood, urine and other tests on the horses run or to be run in any horse race meeting, including races run at county fairs, and to purchase all equipment and supplies deemed necessary or desirable in connection with any such testing laboratories and related facilities and all such tests.

(g) The Board may require that the records, including financial or other statements of any licensee or any person affiliated with the licensee who is involved directly or indirectly in the activities of any licensee as regulated under this Act to the extent that those financial or other statements relate to such activities be kept in such manner as prescribed by the Board, and that Board employees shall have access to those records during reasonable business hours. Within 120 days of the end of its fiscal year, each licensee shall transmit to the Board an audit of the financial transactions and condition of the licensee's total operations. All audits shall be conducted by certified public accountants. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Accounting Act. The compensation for each certified public accountant shall be paid directly by the licensee to the certified public accountant. A licensee shall also submit any other financial or related information the Board deems necessary to effectively administer this Act and all rules, regulations, and final decisions promulgated under this Act.

(h) The Board shall name and appoint in the manner provided by the rules and regulations of the Board: an Executive Director; a State director of mutuels; State veterinarians and representatives to take saliva, blood, urine and other tests on horses; licensing personnel; revenue inspectors; and State seasonal employees (excluding admission ticket sellers and mutuel clerks). All of those named and appointed as provided in this subsection shall serve during the pleasure of the Board; their compensation shall be determined by the Board and be paid in the same manner as other employees of the Board under this Act.

(i) The Board shall require that there shall be 3 stewards at each horse race meeting, at least 2 of whom shall be named and appointed by the Board. Stewards appointed or approved by the Board, while performing duties required by this Act or by the Board, shall be entitled to the same rights and immunities as granted to Board members and Board employees in Section 10 of this Act.

(j) The Board may discharge any Board employee who fails or refuses for any reason to comply with the rules and regulations of the Board, or who, in the opinion of the Board, is guilty of fraud, dishonesty or who is proven to be incompetent. The Board shall have no right or power to determine who shall be officers, directors or employees of any licensee, or their salaries except the Board may, by rule, require that all or any officials or employees in charge of or whose duties relate to the actual running of races be approved by the Board.

(k) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this Act and any rules or regulations promulgated in accordance with this Act.

(l) The Board is vested with the power to impose civil penalties of up to \$5,000 against an individual and up to \$10,000 against a licensee for each violation of any provision of this Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to horse racing or wagering. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the power granted to the Board pursuant to this subsection (l) shall authorize the Board to impose penalties of up to \$10,000 against an individual and up to \$25,000 against a licensee. All such civil penalties shall be deposited into the Horse Racing Fund.

(m) The Board is vested with the power to prescribe a form to be used by licensees as an application for employment for employees of each licensee.

(n) The Board shall have the power to issue a license to any county fair, or its agent, authorizing the conduct of the pari-mutuel system of wagering. The Board is vested with the full power to promulgate reasonable rules, regulations and conditions under which all horse race meetings licensed pursuant to this subsection shall be held and conducted, including rules, regulations and conditions for the conduct of the pari-mutuel system of wagering. The rules, regulations and conditions shall provide for the prevention of practices detrimental to the public interest and for the best interests of horse racing, and shall prescribe penalties for violations thereof. Any authority granted the Board under this Act shall extend to its jurisdiction and supervision over county fairs, or their agents, licensed pursuant to this subsection. However, the Board may waive any provision of this Act or its rules or regulations which would otherwise apply to such county fairs or their agents.

(o) Whenever the Board is authorized or required by law to consider some aspect of criminal history record information for the purpose of carrying out its statutory powers and responsibilities, then, upon request and payment of fees in conformance with the requirements of Section 2605-400 of the Department of State Police Law (20 ILCS 2605/2605-400), the Department of State Police is authorized to furnish, pursuant to positive identification, such information contained in State files as is necessary to fulfill the request.

(p) To insure the convenience, comfort, and wagering accessibility of race track patrons, to provide for the maximization of State revenue, and to generate increases in purse allotments to the horsemen, the Board shall require any licensee to staff the pari-mutuel department with adequate personnel. (Source: P.A. 97-1060, eff. 8-24-12.)

(230 ILCS 5/15) (from Ch. 8, par. 37-15)

Sec. 15. (a) The Board shall, in its discretion, issue occupation licenses to horse owners, trainers, harness drivers, jockeys, agents, apprentices, grooms, stable foremen, exercise persons, veterinarians, valets, blacksmiths, concessionaires and others designated by the Board whose work, in whole or in part, is conducted upon facilities within the State. Such occupation licenses will be obtained prior to the persons engaging in their vocation upon such facilities. The Board shall not license pari-mutuel clerks, parking attendants, security guards and employees of concessionaires. No occupation license shall be required of any person who works at facilities within this State as a pari-mutuel clerk, parking attendant, security guard or as an employee of a concessionaire. Concessionaires of the Illinois State Fair and DuQuoin State Fair and employees of the Illinois Department of Agriculture shall not be required to obtain an occupation license by the Board.

(b) Each application for an occupation license shall be on forms prescribed by the Board. Such license, when issued, shall be for the period ending December 31 of each year, except that the Board in its discretion may grant 3-year licenses. The application shall be accompanied by a fee of not more than \$25 per year or, in the case of 3-year occupation license applications, a fee of not more than \$60. Each applicant shall set forth in the application his full name and address, and if he had been issued prior occupation licenses or has been licensed in any other state under any other name, such name, his age, whether or not a permit or license issued to him in any other state has been suspended or revoked and if so whether such suspension or revocation is in effect at the time of the application, and such other information as the Board may require. Fees for registration of stable names shall not exceed \$50.00. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the fee for registration of stable names shall not exceed \$150, and the application fee for an occupation license shall not exceed \$75, per year or, in the case of a 3-year occupation license application, the fee shall not exceed \$180.

(c) The Board may in its discretion refuse an occupation license to any person:

- (1) who has been convicted of a crime;
- (2) who is unqualified to perform the duties required of such applicant;
- (3) who fails to disclose or states falsely any information called for in the application;
- (4) who has been found guilty of a violation of this Act or of the rules and regulations of the Board; or
- (5) whose license or permit has been suspended, revoked or denied for just cause in any other state.

(d) The Board may suspend or revoke any occupation license:

- (1) for violation of any of the provisions of this Act; or
- (2) for violation of any of the rules or regulations of the Board; or
- (3) for any cause which, if known to the Board, would have justified the Board in refusing to issue such occupation license; or
- (4) for any other just cause.

(e) Each applicant shall submit his or her fingerprints to the Department of State Police in the form and manner prescribed by the Department of State Police. These fingerprints shall be checked against the fingerprint records now and hereafter filed in the Department of State Police and Federal Bureau of Investigation criminal history records databases. The Department of State Police shall charge a fee for conducting the criminal history records check, which shall be deposited in the State Police Services Fund and shall not exceed the actual cost of the records check. The Department of State Police shall furnish, pursuant to positive identification, records of conviction to the Board. Each applicant for licensure shall submit with his occupation license application, on forms provided by the Board, 2 sets of his fingerprints. All such applicants shall appear in person at the location designated by the Board for the purpose of

submitting such sets of fingerprints; however, with the prior approval of a State steward, an applicant may have such sets of fingerprints taken by an official law enforcement agency and submitted to the Board.

(f) The Board may, in its discretion, issue an occupation license without submission of fingerprints if an applicant has been duly licensed in another recognized racing jurisdiction after submitting fingerprints that were subjected to a Federal Bureau of Investigation criminal history background check in that jurisdiction.

(g) Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the Board may charge each applicant a reasonable nonrefundable fee to defray the costs associated with the background investigation conducted by the Board. This fee shall be exclusive of any other fee or fees charged in connection with an application for and, if applicable, the issuance of, an organization gaming license. If the costs of the investigation exceed the amount of the fee charged, the Board shall immediately notify the applicant of the additional amount owed, payment of which must be submitted to the Board within 7 days after such notification. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the Board in the course of its review or investigation of an applicant for a license or renewal under this Act shall be privileged, strictly confidential, and shall be used only for the purpose of evaluating an applicant for a license or a renewal. Such information, records, interviews, reports, statements, memoranda, or other data shall not be admissible as evidence, nor discoverable, in any action of any kind in any court or before any tribunal, board, agency, or person, except for any action deemed necessary by the Board.

(Source: P.A. 93-418, eff. 1-1-04.)

(230 ILCS 5/18) (from Ch. 8, par. 37-18)

Sec. 18. (a) Together with its application, each applicant for racing dates shall deliver to the Board a certified check or bank draft payable to the order of the Board for \$1,000. In the event the applicant applies for racing dates in 2 or 3 successive calendar years as provided in subsection (b) of Section 21, the fee shall be \$2,000. Filing fees shall not be refunded in the event the application is denied. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the application fee for racing dates imposed by this subsection (a) shall be \$10,000 and the application fee for racing dates in 2 or 3 successive calendar years as provided in subsection (b) of Section 21 shall be \$20,000. All filing fees shall be deposited into the Horse Racing Fund.

(b) In addition to the filing fee imposed by subsection (a) of \$1000 and the fees provided in subsection (j) of Section 20, each organization licensee shall pay a license fee of \$100 for each racing program on which its daily pari-mutuel handle is \$400,000 or more but less than \$700,000, and a license fee of \$200 for each racing program on which its daily pari-mutuel handle is \$700,000 or more. The additional fees required to be paid under this Section by this amendatory Act of 1982 shall be remitted by the organization licensee to the Illinois Racing Board with each day's graduated privilege tax or pari-mutuel tax and breakage as provided under Section 27. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the license fee imposed by this subsection (b) shall be \$200 for each racing program on which the organization licensee's daily pari-mutuel handle is \$100,000 or more, but less than \$400,000, and the license fee imposed by this subsection (b) shall be \$400 for each racing program on which the organization licensee's daily pari-mutuel handle is \$400,000 or more.

(c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois Municipal Code," ~~approved May 29, 1961, as now or hereafter amended,~~ shall not apply to any license under this Act.

(Source: P.A. 97-1060, eff. 8-24-12.)

(230 ILCS 5/19) (from Ch. 8, par. 37-19)

Sec. 19. (a) No organization license may be granted to conduct a horse race meeting:

(1) except as provided in subsection (c) of Section 21 of this Act, to any person at any place within 35 miles of any other place licensed by the Board to hold a race meeting on the same date during the same hours, the mileage measurement used in this subsection (a) shall be certified to the Board by the Bureau of Systems and Services in the Illinois Department of Transportation as the most commonly used public way of vehicular travel;

(2) to any person in default in the payment of any obligation or debt due the State under this Act, provided no applicant shall be deemed in default in the payment of any obligation or debt due to the State under this Act as long as there is pending a hearing of any kind relevant to such matter;

(3) to any person who has been convicted of the violation of any law of the United States or any State law which provided as all or part of its penalty imprisonment in any penal institution; to any person against whom there is pending a Federal or State criminal charge; to any person who is

or has been connected with or engaged in the operation of any illegal business; to any person who does not enjoy a general reputation in his community of being an honest, upright, law-abiding person; provided that none of the matters set forth in this subparagraph (3) shall make any person ineligible to be granted an organization license if the Board determines, based on circumstances of any such case, that the granting of a license would not be detrimental to the interests of horse racing and of the public;

(4) to any person who does not at the time of application for the organization license own or have a contract or lease for the possession of a finished race track suitable for the type of racing intended to be held by the applicant and for the accommodation of the public.

~~(b) (Blank) Horse racing on Sunday shall be prohibited unless authorized by ordinance or referendum of the municipality in which a race track or any of its appurtenances or facilities are located, or utilized.~~

(c) If any person is ineligible to receive an organization license because of any of the matters set forth in subsection (a) (2) or subsection (a) (3) of this Section, any other or separate person that either (i) controls, directly or indirectly, such ineligible person or (ii) is controlled, directly or indirectly, by such ineligible person or by a person which controls, directly or indirectly, such ineligible person shall also be ineligible.

(Source: P.A. 88-495; 89-16, eff. 5-30-95.)

(230 ILCS 5/19.5 new)

Sec. 19.5. Standardbred racetrack in Cook County. Notwithstanding anything in this Act to the contrary, in addition to organization licenses issued by the Board on the effective date of this amendatory Act of the 101st General Assembly, the Board shall issue an organization license limited to standardbred racing to a racetrack located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or Worth. This additional organization license shall not be issued within a 35-mile radius of another organization license issued by the Board on the effective date of this amendatory Act of the 101st General Assembly, unless the person having operating control of such racetrack has given written consent to the organization licensee applicant, which consent must be filed with the Board at or prior to the time application is made. The organization license shall be granted upon application, and the licensee shall have all of the current and future rights of existing Illinois racetracks, including, but not limited to, the ability to obtain an inter-track wagering license, the ability to obtain inter-track wagering location licenses, the ability to obtain an organization gaming license pursuant to the Illinois Gambling Act with 1,200 gaming positions, and the ability to offer Internet wagering on horse racing.

(230 ILCS 5/20) (from Ch. 8, par. 37-20)

Sec. 20. (a) Any person desiring to conduct a horse race meeting may apply to the Board for an organization license. The application shall be made on a form prescribed and furnished by the Board. The application shall specify:

- (1) the dates on which it intends to conduct the horse race meeting, which dates shall be provided under Section 21;
- (2) the hours of each racing day between which it intends to hold or conduct horse racing at such meeting;
- (3) the location where it proposes to conduct the meeting; and
- (4) any other information the Board may reasonably require.

(b) A separate application for an organization license shall be filed for each horse race meeting which such person proposes to hold. Any such application, if made by an individual, or by any individual as trustee, shall be signed and verified under oath by such individual. If the application is made by individuals, then it shall be signed and verified under oath by at least 2 of the individuals; if the application is made by or a partnership, it shall be signed and verified under oath by at least 2 of such individuals or members of such partnership as the case may be. If made by an association, a corporation, a corporate trustee, a limited liability company, or any other entity, it shall be signed by an authorized officer, a partner, a member, or a manager, as the case may be, of the entity the president and attested by the secretary or assistant secretary under the seal of such association, trust or corporation if it has a seal, and shall also be verified under oath by one of the signing officers.

(c) The application shall specify:

- (1) the name of the persons, association, trust, or corporation making such application; ~~and~~
- (2) the principal ~~post-office~~ address of the applicant;
- (3) if the applicant is a trustee, the names and addresses of the beneficiaries; if the applicant is a corporation, the names and ~~post-office~~ addresses of all officers, stockholders and directors; or if such stockholders hold stock as a nominee or fiduciary, the names and ~~post-office~~ addresses of the parties these persons, partnerships, corporations, or trusts who are the beneficial owners thereof or who are beneficially interested therein; and if the applicant is a partnership, the names and ~~post-office~~ addresses of all partners, general or limited; if the applicant is a limited liability company, the names and addresses

of the manager and members; and if the applicant is any other entity, the names and addresses of all officers or other authorized persons of the entity corporation, the name of the state of its incorporation shall be specified.

(d) The applicant shall execute and file with the Board a good faith affirmative action plan to recruit, train, and upgrade minorities in all classifications within the association.

(e) With such application there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$1,000. All applications for the issuance of an organization license shall be filed with the Board before August 1 of the year prior to the year for which application is made and shall be acted upon by the Board at a meeting to be held on such date as shall be fixed by the Board during the last 15 days of September of such prior year. At such meeting, the Board shall announce the award of the racing meets, live racing schedule, and designation of host track to the applicants and its approval or disapproval of each application. No announcement shall be considered binding until a formal order is executed by the Board, which shall be executed no later than October 15 of that prior year. Absent the agreement of the affected organization licensees, the Board shall not grant overlapping race meetings to 2 or more tracks that are within 100 miles of each other to conduct the thoroughbred racing.

(e-1) The Board shall award standardbred racing dates to organization licensees with an organization gaming license pursuant to the following schedule:

(1) For the first calendar year of operation of gambling games by an organization gaming licensee under this amendatory Act of the 101st General Assembly, when a single entity requests standardbred racing dates, the Board shall award no fewer than 100 days of racing. The 100-day requirement may be reduced to no fewer than 80 days if no dates are requested for the first 3 months of a calendar year. If more than one entity requests standardbred racing dates, the Board shall award no fewer than 140 days of racing between the applicants.

(2) For the second calendar year of operation of gambling games by an organization gaming licensee under this amendatory Act of the 101st General Assembly, when a single entity requests standardbred racing dates, the Board shall award no fewer than 100 days of racing. The 100-day requirement may be reduced to no fewer than 80 days if no dates are requested for the first 3 months of a calendar year. If more than one entity requests standardbred racing dates, the Board shall award no fewer than 160 days of racing between the applicants.

(3) For the third calendar year of operation of gambling games by an organization gaming licensee under this amendatory Act of the 101st General Assembly, and each calendar year thereafter, when a single entity requests standardbred racing dates, the Board shall award no fewer than 120 days of racing. The 120-day requirement may be reduced to no fewer than 100 days if no dates are requested for the first 3 months of a calendar year. If more than one entity requests standardbred racing dates, the Board shall award no fewer than 200 days of racing between the applicants.

An organization licensee shall apply for racing dates pursuant to this subsection (e-1). In awarding racing dates under this subsection (e-1), the Board shall have the discretion to allocate those standardbred racing dates among these organization licensees.

(e-2) The Board shall award thoroughbred racing days to Cook County organization licensees pursuant to the following schedule:

(1) During the first year in which only one organization licensee is awarded an organization gaming license, the Board shall award no fewer than 110 days of racing.

During the second year in which only one organization licensee is awarded an organization gaming license, the Board shall award no fewer than 115 racing days.

During the third year and every year thereafter, in which only one organization licensee is awarded an organization gaming license, the Board shall award no fewer than 120 racing days.

(2) During the first year in which 2 organization licensees are awarded an organization gaming license, the Board shall award no fewer than 139 total racing days.

During the second year in which 2 organization licensees are awarded an organization gaming license, the Board shall award no fewer than 160 total racing days.

During the third year and every year thereafter in which 2 organization licensees are awarded an organization gaming license, the Board shall award no fewer than 174 total racing days.

A Cook County organization licensee shall apply for racing dates pursuant to this subsection (e-2). In awarding racing dates under this subsection (e-2), the Board shall have the discretion to allocate those thoroughbred racing dates among these Cook County organization licensees.

(e-3) In awarding racing dates for calendar year 2020 and thereafter in connection with a racetrack in Madison County, the Board shall award racing dates and such organization licensee shall run at least 700 thoroughbred races at the racetrack in Madison County each year.

Notwithstanding Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsection (e-4.5), for each calendar year for which an organization gaming licensee located in Madison County requests racing dates resulting in less than 700 live thoroughbred races at its racetrack facility, the organization gaming licensee may not conduct gaming pursuant to an organization gaming license issued under the Illinois Gambling Act for the calendar year of such requested live races.

(e-4) Notwithstanding the provisions of Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsections (e-3) and (e-4.5), for each calendar year for which an organization gaming licensee requests thoroughbred racing dates which results in a number of live races under its organization license that is less than the total number of live races which it conducted in 2017 at its racetrack facility, the organization gaming licensee may not conduct gaming pursuant to its organization gaming license for the calendar year of such requested live races.

(e-4.1) Notwithstanding the provisions of Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsections (e-3) and (e-4.5), for each calendar year for which an organization licensee requests racing dates for standardbred racing which results in a number of live races that is less than the total number of live races required in subsection (e-1), the organization gaming licensee may not conduct gaming pursuant to its organization gaming license for the calendar year of such requested live races.

(e-4.5) The Board shall award the minimum live racing guarantees contained in subsections (e-1), (e-2), and (e-3) to ensure that each organization licensee shall individually run a sufficient number of races per year to qualify for an organization gaming license under this Act. The General Assembly finds that the minimum live racing guarantees contained in subsections (e-1), (e-2), and (e-3) are in the best interest of the sport of horse racing, and that such guarantees may only be reduced in the calendar year in which they will be conducted in the limited circumstances described in this subsection. The Board may decrease the number of racing days without affecting an organization licensee's ability to conduct gaming pursuant to an organization gaming license issued under the Illinois Gambling Act only if the Board determines, after notice and hearing, that:

(i) a decrease is necessary to maintain a sufficient number of betting interests per race to ensure the integrity of racing;

(ii) there are unsafe track conditions due to weather or acts of God;

(iii) there is an agreement between an organization licensee and the breed association that is applicable to the involved live racing guarantee, such association representing either the largest number of thoroughbred owners and trainers or the largest number of standardbred owners, trainers and drivers who race horses at the involved organization licensee's racing meeting, so long as the agreement does not compromise the integrity of the sport of horse racing; or

(iv) the horse population or purse levels are insufficient to provide the number of racing opportunities otherwise required in this Act.

In decreasing the number of racing dates in accordance with this subsection, the Board shall hold a hearing and shall provide the public and all interested parties notice and an opportunity to be heard. The Board shall accept testimony from all interested parties, including any association representing owners, trainers, jockeys, or drivers who will be affected by the decrease in racing dates. The Board shall provide a written explanation of the reasons for the decrease and the Board's findings. The written explanation shall include a listing and content of all communication between any party and any Illinois Racing Board member or staff that does not take place at a public meeting of the Board.

(e-5) In reviewing an application for the purpose of granting an organization license consistent with the best interests of the public and the sport of horse racing, the Board shall consider:

(1) the character, reputation, experience, and financial integrity of the applicant and of any other separate person that either:

(i) controls the applicant, directly or indirectly, or

(ii) is controlled, directly or indirectly, by that applicant or by a person who controls, directly or indirectly, that applicant;

(2) the applicant's facilities or proposed facilities for conducting horse racing;

(3) the total revenue without regard to Section 32.1 to be derived by the State and horsemen from the applicant's conducting a race meeting;

(4) the applicant's good faith affirmative action plan to recruit, train, and upgrade minorities in all employment classifications;

(5) the applicant's financial ability to purchase and maintain adequate liability and casualty insurance;

(6) the applicant's proposed and prior year's promotional and marketing activities and expenditures of the applicant associated with those activities;

(7) an agreement, if any, among organization licensees as provided in subsection (b) of

Section 21 of this Act; and

(8) the extent to which the applicant exceeds or meets other standards for the issuance of an organization license that the Board shall adopt by rule.

In granting organization licenses and allocating dates for horse race meetings, the Board shall have discretion to determine an overall schedule, including required simulcasts of Illinois races by host tracks that will, in its judgment, be conducive to the best interests of the public and the sport of horse racing.

(e-10) The Illinois Administrative Procedure Act shall apply to administrative procedures of the Board under this Act for the granting of an organization license, except that (1) notwithstanding the provisions of subsection (b) of Section 10-40 of the Illinois Administrative Procedure Act regarding cross-examination, the Board may prescribe rules limiting the right of an applicant or participant in any proceeding to award an organization license to conduct cross-examination of witnesses at that proceeding where that cross-examination would unduly obstruct the timely award of an organization license under subsection (e) of Section 20 of this Act; (2) the provisions of Section 10-45 of the Illinois Administrative Procedure Act regarding proposals for decision are excluded under this Act; (3) notwithstanding the provisions of subsection (a) of Section 10-60 of the Illinois Administrative Procedure Act regarding ex parte communications, the Board may prescribe rules allowing ex parte communications with applicants or participants in a proceeding to award an organization license where conducting those communications would be in the best interest of racing, provided all those communications are made part of the record of that proceeding pursuant to subsection (c) of Section 10-60 of the Illinois Administrative Procedure Act; (4) the provisions of Section 14a of this Act and the rules of the Board promulgated under that Section shall apply instead of the provisions of Article 10 of the Illinois Administrative Procedure Act regarding administrative law judges; and (5) the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act that prevent summary suspension of a license pending revocation or other action shall not apply.

(f) The Board may allot racing dates to an organization licensee for more than one calendar year but for no more than 3 successive calendar years in advance, provided that the Board shall review such allotment for more than one calendar year prior to each year for which such allotment has been made. The granting of an organization license to a person constitutes a privilege to conduct a horse race meeting under the provisions of this Act, and no person granted an organization license shall be deemed to have a vested interest, property right, or future expectation to receive an organization license in any subsequent year as a result of the granting of an organization license. Organization licenses shall be subject to revocation if the organization licensee has violated any provision of this Act or the rules and regulations promulgated under this Act or has been convicted of a crime or has failed to disclose or has stated falsely any information called for in the application for an organization license. Any organization license revocation proceeding shall be in accordance with Section 16 regarding suspension and revocation of occupation licenses.

(f-5) If, (i) an applicant does not file an acceptance of the racing dates awarded by the Board as required under part (1) of subsection (h) of this Section 20, or (ii) an organization licensee has its license suspended or revoked under this Act, the Board, upon conducting an emergency hearing as provided for in this Act, may reaward on an emergency basis pursuant to rules established by the Board, racing dates not accepted or the racing dates associated with any suspension or revocation period to one or more organization licensees, new applicants, or any combination thereof, upon terms and conditions that the Board determines are in the best interest of racing, provided, the organization licensees or new applicants receiving the awarded racing dates file an acceptance of those reawarded racing dates as required under paragraph (1) of subsection (h) of this Section 20 and comply with the other provisions of this Act. The Illinois Administrative Procedure Act shall not apply to the administrative procedures of the Board in conducting the emergency hearing and the reallocation of racing dates on an emergency basis.

(g) (Blank).

(h) The Board shall send the applicant a copy of its formally executed order by certified mail addressed to the applicant at the address stated in his application, which notice shall be mailed within 5 days of the date the formal order is executed.

Each applicant notified shall, within 10 days after receipt of the final executed order of the Board awarding racing dates:

- (1) file with the Board an acceptance of such award in the form prescribed by the Board;
 - (2) pay to the Board an additional amount equal to \$110 for each racing date awarded;
- and
- (3) file with the Board the bonds required in Sections 21 and 25 at least 20 days prior to the first day of each race meeting.

Upon compliance with the provisions of paragraphs (1), (2), and (3) of this subsection (h), the applicant shall be issued an organization license.

If any applicant fails to comply with this Section or fails to pay the organization license fees herein provided, no organization license shall be issued to such applicant.

(Source: P.A. 97-333, eff. 8-12-11.)

(230 ILCS 5/21) (from Ch. 8, par. 37-21)

Sec. 21. (a) Applications for organization licenses must be filed with the Board at a time and place prescribed by the rules and regulations of the Board. The Board shall examine the applications within 21 days after the date allowed for filing with respect to their conformity with this Act and such rules and regulations as may be prescribed by the Board. If any application does not comply with this Act or the rules and regulations prescribed by the Board, such application may be rejected and an organization license refused to the applicant, or the Board may, within 21 days of the receipt of such application, advise the applicant of the deficiencies of the application under the Act or the rules and regulations of the Board, and require the submittal of an amended application within a reasonable time determined by the Board; and upon submittal of the amended application by the applicant, the Board may consider the application consistent with the process described in subsection (e-5) of Section 20 of this Act. If it is found to be in compliance with this Act and the rules and regulations of the Board, the Board may then issue an organization license to such applicant.

(b) The Board may exercise discretion in granting racing dates to qualified applicants different from those requested by the applicants in their applications. However, if all eligible applicants for organization licenses whose tracks are located within 100 miles of each other execute and submit to the Board a written agreement among such applicants as to the award of racing dates, including where applicable racing programs, for up to 3 consecutive years, then subject to annual review of each applicant's compliance with Board rules and regulations, provisions of this Act and conditions contained in annual dates orders issued by the Board, the Board may grant such dates and programs to such applicants as so agreed by them if the Board determines that the grant of these racing dates is in the best interests of racing. The Board shall treat any such agreement as the agreement signatories' joint and several application for racing dates during the term of the agreement.

(c) Where 2 or more applicants propose to conduct horse race meetings within 35 miles of each other, as certified to the Board under Section 19 (a) (1) of this Act, on conflicting dates, the Board may determine and grant the number of racing days to be awarded to the several applicants in accordance with the provisions of subsection (e-5) of Section 20 of this Act.

(d) (Blank).

(e) Prior to the issuance of an organization license, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$200,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon the payment by the organization licensee of all taxes due under Section 27, other monies due and payable under this Act, all purses due and payable, and that the organization licensee will upon presentation of the winning ticket or tickets distribute all sums due to the patrons of pari-mutuel pools. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the amount of the bond required under this subsection (e) shall be \$500,000.

(f) Each organization license shall specify the person to whom it is issued, the dates upon which horse racing is permitted, and the location, place, track, or enclosure where the horse race meeting is to be held.

(g) Any person who owns one or more race tracks within the State may seek, in its own name, a separate organization license for each race track.

(h) All racing conducted under such organization license is subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such organization license issued by the Board shall contain a recital to that effect.

(i) Each such organization licensee may provide that at least one race per day may be devoted to the racing of quarter horses, appaloosas, arabians, or paints.

(j) In acting on applications for organization licenses, the Board shall give weight to an organization license which has implemented a good faith affirmative action effort to recruit, train and upgrade minorities in all classifications within the organization license.

(Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

(230 ILCS 5/24) (from Ch. 8, par. 37-24)

Sec. 24. (a) No license shall be issued to or held by an organization licensee unless all of its officers, directors, and holders of ownership interests of at least 5% are first approved by the Board. The Board shall not give approval of an organization license application to any person who has been convicted of or

is under an indictment for a crime of moral turpitude or has violated any provision of the racing law of this State or any rules of the Board.

(b) An organization licensee must notify the Board within 10 days of any change in the holders of a direct or indirect interest in the ownership of the organization licensee. The Board may, after hearing, revoke the organization license of any person who registers on its books or knowingly permits a direct or indirect interest in the ownership of that person without notifying the Board of the name of the holder in interest within this period.

(c) In addition to the provisions of subsection (a) of this Section, no person shall be granted an organization license if any public official of the State or member of his or her family holds any ownership or financial interest, directly or indirectly, in the person.

(d) No person which has been granted an organization license to hold a race meeting shall give to any public official or member of his family, directly or indirectly, for or without consideration, any interest in the person. The Board shall, after hearing, revoke the organization license granted to a person which has violated this subsection.

(e) (Blank).

(f) No organization licensee or concessionaire or officer, director or holder or controller of 5% or more legal or beneficial interest in any organization licensee or concession shall make any sort of gift or contribution that is prohibited under Article 10 of the State Officials and Employees Ethics Act of any kind or pay or give any money or other thing of value to any person who is a public official, or a candidate or nominee for public office if that payment or gift is prohibited under Article 10 of the State Officials and Employees Ethics Act.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/25) (from Ch. 8, par. 37-25)

Sec. 25. Admission charge; bond; fine.

(a) There shall be paid to the Board at such time or times as it shall prescribe, the sum of fifteen cents (15¢) for each person entering the grounds or enclosure of each organization licensee and inter-track wagering licensee upon a ticket of admission except as provided in subsection (g) of Section 27 of this Act. If tickets are issued for more than one day then the sum of fifteen cents (15¢) shall be paid for each person using such ticket on each day that the same shall be used. Provided, however, that no charge shall be made on tickets of admission issued to and in the name of directors, officers, agents or employees of the organization licensee, or inter-track wagering licensee, or to owners, trainers, jockeys, drivers and their employees or to any person or persons entering the grounds or enclosure for the transaction of business in connection with such race meeting. The organization licensee or inter-track wagering licensee may, if it desires, collect such amount from each ticket holder in addition to the amount or amounts charged for such ticket of admission. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the admission charge imposed by this subsection (a) shall be 40 cents for each person entering the grounds or enclosure of each organization licensee and inter-track wagering licensee upon a ticket of admission, and if such tickets are issued for more than one day, 40 cents shall be paid for each person using such ticket on each day that the same shall be used.

(b) Accurate records and books shall at all times be kept and maintained by the organization licensees and inter-track wagering licensees showing the admission tickets issued and used on each racing day and the attendance thereof of each horse racing meeting. The Board or its duly authorized representative or representatives shall at all reasonable times have access to the admission records of any organization licensee and inter-track wagering licensee for the purpose of examining and checking the same and ascertaining whether or not the proper amount has been or is being paid the State of Illinois as herein provided. The Board shall also require, before issuing any license, that the licensee shall execute and deliver to it a bond, payable to the State of Illinois, in such sum as it shall determine, not, however, in excess of fifty thousand dollars (\$50,000), with a surety or sureties to be approved by it, conditioned for the payment of all sums due and payable or collected by it under this Section upon admission fees received for any particular racing meetings. The Board may also from time to time require sworn statements of the number or numbers of such admissions and may prescribe blanks upon which such reports shall be made. Any organization licensee or inter-track wagering licensee failing or refusing to pay the amount found to be due as herein provided, shall be deemed guilty of a business offense and upon conviction shall be punished by a fine of not more than five thousand dollars (\$5,000) in addition to the amount due from such organization licensee or inter-track wagering licensee as herein provided. All fines paid into court by an organization licensee or inter-track wagering licensee found guilty of violating this Section shall be transmitted and paid over by the clerk of the court to the Board. Beginning on the date when any

organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, any fine imposed pursuant to this subsection (b) shall not exceed \$10,000.

(Source: P.A. 88-495; 89-16, eff. 5-30-95.)

(230 ILCS 5/26) (from Ch. 8, par. 37-26)

Sec. 26. Wagering.

(a) Any licensee may conduct and supervise the pari-mutuel system of wagering, as defined in Section 3.12 of this Act, on horse races conducted by an Illinois organization licensee or conducted at a racetrack located in another state or country ~~and televised in Illinois~~ in accordance with subsection (g) of Section 26 of this Act. Subject to the prior consent of the Board, licensees may supplement any pari-mutuel pool in order to guarantee a minimum distribution. Such pari-mutuel method of wagering shall not, under any circumstances if conducted under the provisions of this Act, be held or construed to be unlawful, other statutes of this State to the contrary notwithstanding. Subject to rules for advance wagering promulgated by the Board, any licensee may accept wagers in advance of the day of the race wagered upon occurs.

(b) Except for those gaming activities for which a license is obtained and authorized under the Illinois Lottery Law, the Charitable Games Act, the Raffles and Poker Runs Act, or the Illinois Gambling Act, no ~~Other~~ other method of betting, pool making, wagering or gambling shall be used or permitted by the licensee. Each licensee may retain, subject to the payment of all applicable taxes and purses, an amount not to exceed 17% of all money wagered under subsection (a) of this Section, except as may otherwise be permitted under this Act.

(b-5) An individual may place a wager under the pari-mutuel system from any licensed location authorized under this Act provided that wager is electronically recorded in the manner described in Section 3.12 of this Act. Any wager made electronically by an individual while physically on the premises of a licensee shall be deemed to have been made at the premises of that licensee.

(c) ~~(Blank). Until January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be paid to the Illinois Veterans' Rehabilitation Fund of the State treasury, except as provided in subsection (g) of Section 27 of this Act.~~

(c-5) The Beginning January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be evenly distributed to the purse account of the organization licensee and the organization licensee, except that the balance of the sum of all outstanding pari-mutuel tickets generated from simulcast wagering and inter-track wagering by an organization licensee located in a county with a population in excess of 230,000 and borders the Mississippi River or any licensee that derives its license from that organization licensee shall be evenly distributed to the purse account of the organization licensee and the organization licensee.

(d) A pari-mutuel ticket shall be honored until December 31 of the next calendar year, and the licensee shall pay the same and may charge the amount thereof against unpaid money similarly accumulated on account of pari-mutuel tickets not presented for payment.

(e) No licensee shall knowingly permit any minor, other than an employee of such licensee or an owner, trainer, jockey, driver, or employee thereof, to be admitted during a racing program unless accompanied by a parent or guardian, or any minor to be a patron of the pari-mutuel system of wagering conducted or supervised by it. The admission of any unaccompanied minor, other than an employee of the licensee or an owner, trainer, jockey, driver, or employee thereof at a race track is a Class C misdemeanor.

(f) Notwithstanding the other provisions of this Act, an organization licensee may contract with an entity in another state or country to permit any legal wagering entity in another state or country to accept wagers solely within such other state or country on races conducted by the organization licensee in this State. Beginning January 1, 2000, these wagers shall not be subject to State taxation. Until January 1, 2000, when the out-of-State entity conducts a pari-mutuel pool separate from the organization licensee, a privilege tax equal to 7 1/2% of all monies received by the organization licensee from entities in other states or countries pursuant to such contracts is imposed on the organization licensee, and such privilege tax shall be remitted to the Department of Revenue within 48 hours of receipt of the moneys from the simulcast. When the out-of-State entity conducts a combined pari-mutuel pool with the organization licensee, the tax shall be 10% of all monies received by the organization licensee with 25% of the receipts from this 10% tax to be distributed to the county in which the race was conducted.

An organization licensee may permit one or more of its races to be utilized for pari-mutuel wagering at one or more locations in other states and may transmit audio and visual signals of races the organization licensee conducts to one or more locations outside the State or country and may also permit pari-mutuel pools in other states or countries to be combined with its gross or net wagering pools or with wagering pools established by other states.

(g) A host track may accept interstate simulcast wagers on horse races conducted in other states or countries and shall control the number of signals and types of breeds of racing in its simulcast program, subject to the disapproval of the Board. The Board may prohibit a simulcast program only if it finds that the simulcast program is clearly adverse to the integrity of racing. The host track simulcast program shall include the signal of live racing of all organization licensees. All non-host licensees and advance deposit wagering licensees shall carry the signal of and accept wagers on live racing of all organization licensees. Advance deposit wagering licensees shall not be permitted to accept out-of-state wagers on any Illinois signal provided pursuant to this Section without the approval and consent of the organization licensee providing the signal. For one year after August 15, 2014 (the effective date of Public Act 98-968), non-host licensees may carry the host track simulcast program and shall accept wagers on all races included as part of the simulcast program of horse races conducted at race tracks located within North America upon which wagering is permitted. For a period of one year after August 15, 2014 (the effective date of Public Act 98-968), on horse races conducted at race tracks located outside of North America, non-host licensees may accept wagers on all races included as part of the simulcast program upon which wagering is permitted. Beginning August 15, 2015 (one year after the effective date of Public Act 98-968), non-host licensees may carry the host track simulcast program and shall accept wagers on all races included as part of the simulcast program upon which wagering is permitted. All organization licensees shall provide their live signal to all advance deposit wagering licensees for a simulcast commission fee not to exceed 6% of the advance deposit wagering licensee's Illinois handle on the organization licensee's signal without prior approval by the Board. The Board may adopt rules under which it may permit simulcast commission fees in excess of 6%. The Board shall adopt rules limiting the interstate commission fees charged to an advance deposit wagering licensee. The Board shall adopt rules regarding advance deposit wagering on interstate simulcast races that shall reflect, among other things, the General Assembly's desire to maximize revenues to the State, horsemen purses, and ~~organization~~ ~~organizational~~ licensees. However, organization licensees providing live signals pursuant to the requirements of this subsection (g) may petition the Board to withhold their live signals from an advance deposit wagering licensee if the organization licensee discovers and the Board finds reputable or credible information that the advance deposit wagering licensee is under investigation by another state or federal governmental agency, the advance deposit wagering licensee's license has been suspended in another state, or the advance deposit wagering licensee's license is in revocation proceedings in another state. The organization licensee's provision of their live signal to an advance deposit wagering licensee under this subsection (g) pertains to wagers placed from within Illinois. Advance deposit wagering licensees may place advance deposit wagering terminals at wagering facilities as a convenience to customers. The advance deposit wagering licensee shall not charge or collect any fee from purses for the placement of the advance deposit wagering terminals. The costs and expenses of the host track and non-host licensees associated with interstate simulcast wagering, other than the interstate commission fee, shall be borne by the host track and all non-host licensees incurring these costs. The interstate commission fee shall not exceed 5% of Illinois handle on the interstate simulcast race or races without prior approval of the Board. The Board shall promulgate rules under which it may permit interstate commission fees in excess of 5%. The interstate commission fee and other fees charged by the sending racetrack, including, but not limited to, satellite decoder fees, shall be uniformly applied to the host track and all non-host licensees.

Notwithstanding any other provision of this Act, ~~through December 31, 2020~~, an organization licensee, with the consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting, may maintain a system whereby advance deposit wagering may take place or an organization licensee, with the consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting, may contract with another person to carry out a system of advance deposit wagering. Such consent may not be unreasonably withheld. Only with respect to an appeal to the Board that consent for an organization licensee that maintains its own advance deposit wagering system is being unreasonably withheld, the Board shall issue a final order within 30 days after initiation of the appeal, and the organization licensee's advance deposit wagering system may remain operational during that 30-day period. The actions of any organization licensee who conducts advance deposit wagering or any person who has a contract with an organization licensee to conduct advance deposit wagering who conducts advance deposit wagering on or after January 1, 2013 and prior

to June 7, 2013 (the effective date of Public Act 98-18) taken in reliance on the changes made to this subsection (g) by Public Act 98-18 are hereby validated, provided payment of all applicable pari-mutuel taxes are remitted to the Board. All advance deposit wagers placed from within Illinois must be placed through a Board-approved advance deposit wagering licensee; no other entity may accept an advance deposit wager from a person within Illinois. All advance deposit wagering is subject to any rules adopted by the Board. The Board may adopt rules necessary to regulate advance deposit wagering through the use of emergency rulemaking in accordance with Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate advance deposit wagering is deemed an emergency and necessary for the public interest, safety, and welfare. An advance deposit wagering licensee may retain all moneys as agreed to by contract with an organization licensee. Any moneys retained by the organization licensee from advance deposit wagering, not including moneys retained by the advance deposit wagering licensee, shall be paid 50% to the organization licensee's purse account and 50% to the organization licensee. With the exception of any organization licensee that is owned by a publicly traded company that is incorporated in a state other than Illinois and advance deposit wagering licensees under contract with such organization licensees, organization licensees that maintain advance deposit wagering systems and advance deposit wagering licensees that contract with organization licensees shall provide sufficiently detailed monthly accountings to the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting so that the horsemen association, as an interested party, can confirm the accuracy of the amounts paid to the purse account at the horsemen association's affiliated organization licensee from advance deposit wagering. If more than one breed races at the same race track facility, then the 50% of the moneys to be paid to an organization licensee's purse account shall be allocated among all organization licensees' purse accounts operating at that race track facility proportionately based on the actual number of host days that the Board grants to that breed at that race track facility in the current calendar year. To the extent any fees from advance deposit wagering conducted in Illinois for wagers in Illinois or other states have been placed in escrow or otherwise withheld from wagers pending a determination of the legality of advance deposit wagering, no action shall be brought to declare such wagers or the disbursement of any fees previously escrowed illegal.

(1) Between the hours of 6:30 a.m. and 6:30 p.m. an inter-track wagering licensee other than the host track may supplement the host track simulcast program with additional simulcast races or race programs, provided that between January 1 and the third Friday in February of any year, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, only thoroughbred races may be used for supplemental interstate simulcast purposes. The Board shall withhold approval for a supplemental interstate simulcast only if it finds that the simulcast is clearly adverse to the integrity of racing. A supplemental interstate simulcast may be transmitted from an inter-track wagering licensee to its affiliated non-host licensees. The interstate commission fee for a supplemental interstate simulcast shall be paid by the non-host licensee and its affiliated non-host licensees receiving the simulcast.

(2) Between the hours of 6:30 p.m. and 6:30 a.m. an inter-track wagering licensee other than the host track may receive supplemental interstate simulcasts only with the consent of the host track, except when the Board finds that the simulcast is clearly adverse to the integrity of racing. Consent granted under this paragraph (2) to any inter-track wagering licensee shall be deemed consent to all non-host licensees. The interstate commission fee for the supplemental interstate simulcast shall be paid by all participating non-host licensees.

(3) Each licensee conducting interstate simulcast wagering may retain, subject to the payment of all applicable taxes and the purses, an amount not to exceed 17% of all money wagered. If any licensee conducts the pari-mutuel system wagering on races conducted at racetracks in another state or country, each such race or race program shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax of that daily handle as provided in subsection (a) of Section 27. Until January 1, 2000, from the sums permitted to be retained pursuant to this subsection, each inter-track wagering location licensee shall pay 1% of the pari-mutuel handle wagered on simulcast wagering to the Horse Racing Tax Allocation Fund, subject to the provisions of subparagraph (B) of paragraph (11) of subsection (h) of Section 26 of this Act.

(4) A licensee who receives an interstate simulcast may combine its gross or net pools with pools at the sending racetracks pursuant to rules established by the Board. All licensees combining their gross pools at a sending racetrack shall adopt the ~~takeout~~ ~~take-out~~ percentages of the sending racetrack. A licensee may also establish a separate pool and takeout structure for wagering purposes on races conducted at race tracks outside of the State of Illinois. The licensee may permit pari-mutuel wagers placed in other states or countries to be combined with its gross or net wagering pools or other wagering pools.

(5) After the payment of the interstate commission fee (except for the interstate commission fee on a supplemental interstate simulcast, which shall be paid by the host track and by each non-host licensee through the ~~host track~~ ~~host-track~~) and all applicable State and local taxes, except as provided in subsection (g) of Section 27 of this Act, the remainder of moneys retained from simulcast wagering pursuant to this subsection (g), and Section 26.2 shall be divided as follows:

(A) For interstate simulcast wagers made at a host track, 50% to the host track and 50% to purses at the host track.

(B) For wagers placed on interstate simulcast races, supplemental simulcasts as defined in subparagraphs (1) and (2), and separately pooled races conducted outside of the State of Illinois made at a non-host licensee, 25% to the host track, 25% to the non-host licensee, and 50% to the purses at the host track.

(6) Notwithstanding any provision in this Act to the contrary, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River may receive supplemental interstate simulcast races at all times subject to Board approval, which shall be withheld only upon a finding that a supplemental interstate simulcast is clearly adverse to the integrity of racing.

(7) Effective January 1, 2017, notwithstanding any provision of this Act to the contrary, after payment of all applicable State and local taxes and interstate commission fees, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain 50% of the retention from interstate simulcast wagers and shall pay 50% to purses at the track from which the non-host licensee derives its license.

(7.1) Notwithstanding any other provision of this Act to the contrary, if no standardbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 p.m. and 6:30 a.m. during that calendar year shall be paid as follows:

(A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be paid to its thoroughbred purse account; and

(B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund and shall be paid to purses for standardbred races for Illinois conceived and foaled horses conducted at any county fairgrounds. The moneys deposited into the Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with other moneys paid into that Fund. The moneys deposited pursuant to this subparagraph (B) shall be allocated as provided by the Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board.

(7.2) Notwithstanding any other provision of this Act to the contrary, if no thoroughbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 a.m. and 6:30 p.m. during that calendar year shall be deposited as follows:

(A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be deposited into its standardbred purse account; and

(B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund. Moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be paid to Illinois conceived and foaled thoroughbred breeders' programs and to thoroughbred purses for races conducted at any county fairgrounds for Illinois conceived and foaled horses at the discretion of the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. The moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to thoroughbred purses under this Act, and shall not be commingled with other moneys deposited into that Fund.

(7.3) (Blank).

(7.4) (Blank).

(8) Notwithstanding any provision in this Act to the contrary, an organization licensee

from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River and its affiliated non-host licensees shall not be entitled to share in any retention generated on racing, inter-track wagering, or simulcast wagering at any other Illinois wagering facility.

(8.1) Notwithstanding any provisions in this Act to the contrary, if 2 organization licensees are conducting standardbred race meetings concurrently between the hours of 6:30 p.m. and 6:30 a.m., after payment of all applicable State and local taxes and interstate commission fees, the remainder of the amount retained from simulcast wagering otherwise attributable to the host track and to host track purses shall be split daily between the 2 organization licensees and the purses at the tracks of the 2 organization licensees, respectively, based on each organization licensee's share of the total live handle for that day, provided that this provision shall not apply to any non-host licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River.

(9) (Blank).

(10) (Blank).

(11) (Blank).

(12) The Board shall have authority to compel all host tracks to receive the simulcast of any or all races conducted at the Springfield or DuQuoin State fairgrounds and include all such races as part of their simulcast programs.

(13) Notwithstanding any other provision of this Act, in the event that the total Illinois pari-mutuel handle on Illinois horse races at all wagering facilities in any calendar year is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at all such wagering facilities for calendar year 1994, then each wagering facility that has an annual total Illinois pari-mutuel handle on Illinois horse races that is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at such wagering facility for calendar year 1994, shall be permitted to receive, from any amount otherwise payable to the purse account at the race track with which the wagering facility is affiliated in the succeeding calendar year, an amount equal to 2% of the differential in total Illinois pari-mutuel handle on Illinois horse races at the wagering facility between that calendar year in question and 1994 provided, however, that a wagering facility shall not be entitled to any such payment until the Board certifies in writing to the wagering facility the amount to which the wagering facility is entitled and a schedule for payment of the amount to the wagering facility, based on: (i) the racing dates awarded to the race track affiliated with the wagering facility during the succeeding year; (ii) the sums available or anticipated to be available in the purse account of the race track affiliated with the wagering facility for purses during the succeeding year; and (iii) the need to ensure reasonable purse levels during the payment period. The Board's certification shall be provided no later than January 31 of the succeeding year. In the event a wagering facility entitled to a payment under this paragraph (13) is affiliated with a race track that maintains purse accounts for both standardbred and thoroughbred racing, the amount to be paid to the wagering facility shall be divided between each purse account pro rata, based on the amount of Illinois handle on Illinois standardbred and thoroughbred racing respectively at the wagering facility during the previous calendar year. Annually, the General Assembly shall appropriate sufficient funds from the General Revenue Fund to the Department of Agriculture for payment into the thoroughbred and standardbred horse racing purse accounts at Illinois pari-mutuel tracks. The amount paid to each purse account shall be the amount certified by the Illinois Racing Board in January to be transferred from each account to each eligible racing facility in accordance with the provisions of this Section. Beginning in the calendar year in which an organization licensee that is eligible to receive payment under this paragraph (13) begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the amount of the payment due to all wagering facilities licensed under that organization licensee under this paragraph (13) shall be the amount certified by the Board in January of that year. An organization licensee and its related wagering facilities shall no longer be able to receive payments under this paragraph (13) beginning in the year subsequent to the first year in which the organization licensee begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act.

(h) The Board may approve and license the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees subject to the following terms and conditions:

(1) Any person licensed to conduct a race meeting (i) at a track where 60 or more days of racing were conducted during the immediately preceding calendar year or where over the 5 immediately preceding calendar years an average of 30 or more days of racing were conducted annually may be issued an inter-track wagering license; (ii) at a track located in a county that is bounded by the Mississippi River, which has a population of less than 150,000 according to the 1990 decennial census,

and an average of at least 60 days of racing per year between 1985 and 1993 may be issued an inter-track wagering license; or (iii) at a track awarded standardbred racing dates; or (iv) at a track located in Madison County that conducted at least 100 days of live racing during the immediately preceding calendar year may be issued an inter-track wagering license, unless a lesser schedule of live racing is the result of (A) weather, unsafe track conditions, or other acts of God; (B) an agreement between the organization licensee and the associations representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting; or (C) a finding by the Board of extraordinary circumstances and that it was in the best interest of the public and the sport to conduct fewer than 100 days of live racing. Any such person having operating control of the racing facility may receive inter-track wagering location licenses. An eligible race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River may establish up to 9 inter-track wagering locations, an eligible race track located in Stickney Township in Cook County may establish up to 16 inter-track wagering locations, and an eligible race track located in Palatine Township in Cook County may establish up to 18 inter-track wagering locations. An eligible racetrack conducting standardbred racing may have up to 16 inter-track wagering locations. An application for said license shall be filed with the Board prior to such dates as may be fixed by the Board. With an application for an inter-track wagering location license there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$500. The application shall be on forms prescribed and furnished by the Board. The application shall comply with all other rules, regulations and conditions imposed by the Board in connection therewith.

(2) The Board shall examine the applications with respect to their conformity with this Act and the rules and regulations imposed by the Board. If found to be in compliance with the Act and rules and regulations of the Board, the Board may then issue a license to conduct inter-track wagering and simulcast wagering to such applicant. All such applications shall be acted upon by the Board at a meeting to be held on such date as may be fixed by the Board.

(3) In granting licenses to conduct inter-track wagering and simulcast wagering, the Board shall give due consideration to the best interests of the public, of horse racing, and of maximizing revenue to the State.

(4) Prior to the issuance of a license to conduct inter-track wagering and simulcast wagering, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$50,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon (i) the payment by the licensee of all taxes due under Section 27 or 27.1 and any other monies due and payable under this Act, and (ii) distribution by the licensee, upon presentation of the winning ticket or tickets, of all sums payable to the patrons of pari-mutuel pools.

(5) Each license to conduct inter-track wagering and simulcast wagering shall specify the person to whom it is issued, the dates on which such wagering is permitted, and the track or location where the wagering is to be conducted.

(6) All wagering under such license is subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such license issued by the Board shall contain a recital to that effect.

(7) An inter-track wagering licensee or inter-track wagering location licensee may accept wagers at the track or location where it is licensed, or as otherwise provided under this Act.

(8) Inter-track wagering or simulcast wagering shall not be conducted at any track less than 4 5 miles from a track at which a racing meeting is in progress.

(8.1) Inter-track wagering location licensees who derive their licenses from a particular organization licensee shall conduct inter-track wagering and simulcast wagering only at locations that are within 160 miles of that race track where the particular organization licensee is licensed to conduct racing. However, inter-track wagering and simulcast wagering shall not be conducted by those licensees at any location within 5 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made. In the case of any inter-track wagering location licensee initially licensed after December 31, 2013, inter-track wagering and simulcast wagering shall not be conducted by those inter-track wagering location licensees that are located outside the City of Chicago at any location within 8 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made.

(8.2) Inter-track wagering or simulcast wagering shall not be conducted by an

inter-track wagering location licensee at any location within 500 feet of an existing church, an ~~or~~ existing elementary or secondary public school, or an existing elementary or secondary private school registered with or recognized by the State Board of Education ~~school~~, nor within 500 feet of the residences of more than 50 registered voters without receiving written permission from a majority of the registered voters at such residences. Such written permission statements shall be filed with the Board. The distance of 500 feet shall be measured to the nearest part of any building used for worship services, education programs, residential purposes, or conducting inter-track wagering by an inter-track wagering location licensee, and not to property boundaries. However, inter-track wagering or simulcast wagering may be conducted at a site within 500 feet of a church, school or residences of 50 or more registered voters if such church, school or residences have been erected or established, or such voters have been registered, after the Board issues the original inter-track wagering location license at the site in question. Inter-track wagering location licensees may conduct inter-track wagering and simulcast wagering only in areas that are zoned for commercial or manufacturing purposes or in areas for which a special use has been approved by the local zoning authority. However, no license to conduct inter-track wagering and simulcast wagering shall be granted by the Board with respect to any inter-track wagering location within the jurisdiction of any local zoning authority which has, by ordinance or by resolution, prohibited the establishment of an inter-track wagering location within its jurisdiction. However, inter-track wagering and simulcast wagering may be conducted at a site if such ordinance or resolution is enacted after the Board licenses the original inter-track wagering location licensee for the site in question.

(9) (Blank).

(10) An inter-track wagering licensee or an inter-track wagering location licensee may retain, subject to the payment of the privilege taxes and the purses, an amount not to exceed 17% of all money wagered. Each program of racing conducted by each inter-track wagering licensee or inter-track wagering location licensee shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax or pari-mutuel tax on such daily handle as provided in Section 27.

(10.1) Except as provided in subsection (g) of Section 27 of this Act, inter-track wagering location licensees shall pay 1% of the pari-mutuel handle at each location to the municipality in which such location is situated and 1% of the pari-mutuel handle at each location to the county in which such location is situated. In the event that an inter-track wagering location licensee is situated in an unincorporated area of a county, such licensee shall pay 2% of the pari-mutuel handle from such location to such county.

(10.2) Notwithstanding any other provision of this Act, with respect to inter-track wagering at a race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River ("the first race track"), or at a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, on races conducted at the first race track or on races conducted at another Illinois race track and simultaneously televised to the first race track or to a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, those moneys shall be allocated as follows:

(A) That portion of all moneys wagered on standardbred racing that is required under this Act to be paid to purses shall be paid to purses for standardbred races.

(B) That portion of all moneys wagered on thoroughbred racing that is required under this Act to be paid to purses shall be paid to purses for thoroughbred races.

(11) (A) After payment of the privilege or pari-mutuel tax, any other applicable taxes, and the costs and expenses in connection with the gathering, transmission, and dissemination of all data necessary to the conduct of inter-track wagering, the remainder of the monies retained under either Section 26 or Section 26.2 of this Act by the inter-track wagering licensee on inter-track wagering shall be allocated with 50% to be split between the 2 participating licensees and 50% to purses, except that an inter-track wagering licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the Illinois organization licensee that provides the race or races, and an inter-track wagering licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with that organization licensee.

(B) From the sums permitted to be retained pursuant to this Act each inter-track wagering location licensee shall pay (i) the privilege or pari-mutuel tax to the State; (ii) 4.75% of the pari-mutuel handle on inter-track wagering at such location on races as purses, except that an inter-track

wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain all purse moneys for its own purse account consistent with distribution set forth in this subsection (h), and inter-track wagering location licensees that accept wagers on races conducted by an organization licensee located in a county with a population in excess of 230,000 and that borders the Mississippi River shall distribute all purse moneys to purses at the operating host track; (iii) until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, 1% of the pari-mutuel handle wagered on inter-track wagering and simulcast wagering at each inter-track wagering location licensee facility to the Horse Racing Tax Allocation Fund, provided that, to the extent the total amount collected and distributed to the Horse Racing Tax Allocation Fund under this subsection (h) during any calendar year exceeds the amount collected and distributed to the Horse Racing Tax Allocation Fund during calendar year 1994, that excess amount shall be redistributed (I) to all inter-track wagering location licensees, based on each licensee's pro rata ~~pro-rata~~ share of the total handle from inter-track wagering and simulcast wagering for all inter-track wagering location licensees during the calendar year in which this provision is applicable; then (II) the amounts redistributed to each inter-track wagering location licensee as described in subpart (I) shall be further redistributed as provided in subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 provided first, that the shares of those amounts, which are to be redistributed to the host track or to purses at the host track under subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 shall be redistributed based on each host track's pro rata share of the total inter-track wagering and simulcast wagering handle at all host tracks during the calendar year in question, and second, that any amounts redistributed as described in part (I) to an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall be further redistributed, effective January 1, 2017, as provided in paragraph (7) of subsection (g) of this Section 26, with the portion of that further redistribution allocated to purses at that organization licensee to be divided between standardbred purses and thoroughbred purses based on the amounts otherwise allocated to purses at that organization licensee during the calendar year in question; and (iv) 8% of the pari-mutuel handle on inter-track wagering wagered at such location to satisfy all costs and expenses of conducting its wagering. The remainder of the monies retained by the inter-track wagering location licensee shall be allocated 40% to the location licensee and 60% to the organization licensee which provides the Illinois races to the location, except that an inter-track wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee that provides the race or races and an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee. Notwithstanding the provisions of clauses (ii) and (iv) of this paragraph, in the case of the additional inter-track wagering location licenses authorized under paragraph (1) of this subsection (h) by Public Act 87-110, those licensees shall pay the following amounts as purses: during the first 12 months the licensee is in operation, 5.25% of the pari-mutuel handle wagered at the location on races; during the second 12 months, 5.25%; during the third 12 months, 5.75%; during the fourth 12 months, 6.25%; and during the fifth 12 months and thereafter, 6.75%. The following amounts shall be retained by the licensee to satisfy all costs and expenses of conducting its wagering: during the first 12 months the licensee is in operation, 8.25% of the pari-mutuel handle wagered at the location; during the second 12 months, 8.25%; during the third 12 months, 7.75%; during the fourth 12 months, 7.25%; and during the fifth 12 months and thereafter, 6.75%. For additional inter-track wagering location licensees authorized under Public Act 89-16, purses for the first 12 months the licensee is in operation shall be 5.75% of the pari-mutuel wagered at the location, purses for the second 12 months the licensee is in operation shall be 6.25%, and purses thereafter shall be 6.75%. For additional inter-track location licensees authorized under Public Act 89-16, the licensee shall be allowed to retain to satisfy all costs and expenses: 7.75% of the pari-mutuel handle wagered at the location during its first 12 months of operation, 7.25% during its second 12 months of operation, and 6.75% thereafter.

(C) There is hereby created the Horse Racing Tax Allocation Fund which shall remain in existence until December 31, 1999. Moneys remaining in the Fund after December 31, 1999 shall be paid into the General Revenue Fund. Until January 1, 2000, all monies paid into the Horse Racing Tax Allocation Fund pursuant to this paragraph (11) by inter-track wagering location licensees located in park districts of 500,000 population or less, or in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is

contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, and operating on May 1, 1994 shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve as chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to park districts or municipalities that do not have a park district of 500,000 population or less for museum purposes (if an inter-track wagering location licensee is located in such a park district) or to conservation districts for museum purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, except that if the conservation district does not maintain a museum, the monies shall be allocated equally between the county and the municipality in which the inter-track wagering location licensee is located for general purposes) or to a municipal recreation board for park purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district and park maintenance is the function of the municipal recreation board and the municipality has a 1990 population of 9,302 according to the United States Bureau of the Census); provided that the monies are distributed to each park district or conservation district or municipality that does not have a park district in an amount equal to four-sevenths of the amount collected by each inter-track wagering location licensee within the park district or conservation district or municipality for the Fund. Monies that were paid into the Horse Racing Tax Allocation Fund before August 9, 1991 (the effective date of Public Act 87-110) by an inter-track wagering location licensee located in a municipality that is not included within any park district but is included within a conservation district as provided in this paragraph shall, as soon as practicable after August 9, 1991 (the effective date of Public Act 87-110), be allocated and paid to that conservation district as provided in this paragraph. Any park district or municipality not maintaining a museum may deposit the monies in the corporate fund of the park district or municipality where the inter-track wagering location is located, to be used for general purposes; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967.

Until January 1, 2000, all other monies paid into the Horse Racing Tax Allocation Fund pursuant to this paragraph (11) shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve as chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative

of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to museums and aquariums located in park districts of over 500,000 population; provided that the monies are distributed in accordance with the previous year's distribution of the maintenance tax for such museums and aquariums as provided in Section 2 of the Park District Aquarium and Museum Act; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967. This subparagraph (C) shall be inoperative and of no force and effect on and after January 1, 2000.

(D) Except as provided in paragraph (11) of this subsection (h), with respect to purse allocation from inter-track wagering, the monies so retained shall be divided as follows:

(i) If the inter-track wagering licensee, except an inter-track wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is not conducting its own race meeting during the same dates, then the entire purse allocation shall be to purses at the track where the races wagered on are being conducted.

(ii) If the inter-track wagering licensee, except an inter-track wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is also conducting its own race meeting during the same dates, then the purse allocation shall be as follows: 50% to purses at the track where the races wagered on are being conducted; 50% to purses at the track where the inter-track wagering licensee is accepting such wagers.

(iii) If the inter-track wagering is being conducted by an inter-track wagering location licensee, except an inter-track wagering location licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, the entire purse allocation for Illinois races shall be to purses at the track where the race meeting being wagered on is being held.

(12) The Board shall have all powers necessary and proper to fully supervise and control the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees, including, but not limited to the following:

(A) The Board is vested with power to promulgate reasonable rules and regulations for the purpose of administering the conduct of this wagering and to prescribe reasonable rules, regulations and conditions under which such wagering shall be held and conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of said wagering and to impose penalties for violations thereof.

(B) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities of any licensee to determine whether there has been compliance with the provisions of this Act and the rules and regulations relating to the conduct of such wagering.

(C) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any licensee's facilities, any person whose conduct or reputation is such that his presence on such premises may, in the opinion of the Board, call into the question the honesty and integrity of, or interfere with the orderly conduct of such wagering; provided, however, that no person shall be excluded or ejected from such premises solely on the grounds of race, color, creed, national origin, ancestry, or sex.

(D) (Blank).

(E) The Board is vested with the power to appoint delegates to execute any of the

powers granted to it under this Section for the purpose of administering this wagering and any rules and regulations promulgated in accordance with this Act.

(F) The Board shall name and appoint a State director of this wagering who shall be a representative of the Board and whose duty it shall be to supervise the conduct of inter-track wagering as may be provided for by the rules and regulations of the Board; such rules and regulation shall specify the method of appointment and the Director's powers, authority and duties.

(G) The Board is vested with the power to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 against licensees for each violation of any provision of this Act relating to the conduct of this wagering, any rules adopted by the Board, any order of the Board or any other action which in the Board's discretion, is a detriment or impediment to such wagering.

(13) The Department of Agriculture may enter into agreements with licensees authorizing such licensees to conduct inter-track wagering on races to be held at the licensed race meetings conducted by the Department of Agriculture. Such agreement shall specify the races of the Department of Agriculture's licensed race meeting upon which the licensees will conduct wagering. In the event that a licensee conducts inter-track pari-mutuel wagering on races from the Illinois State Fair or DuQuoin State Fair which are in addition to the licensee's previously approved racing program, those races shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege or pari-mutuel tax on that daily handle as provided in Sections 27 and 27.1. Such agreements shall be approved by the Board before such wagering may be conducted. In determining whether to grant approval, the Board shall give due consideration to the best interests of the public and of horse racing. The provisions of paragraphs (1), (8), (8.1), and (8.2) of subsection (h) of this Section which are not specified in this paragraph (13) shall not apply to licensed race meetings conducted by the Department of Agriculture at the Illinois State Fair in Sangamon County or the DuQuoin State Fair in Perry County, or to any wagering conducted on those race meetings.

(14) An inter-track wagering location license authorized by the Board in 2016 that is owned and operated by a race track in Rock Island County shall be transferred to a commonly owned race track in Cook County on August 12, 2016 (the effective date of Public Act 99-757). The licensee shall retain its status in relation to purse distribution under paragraph (11) of this subsection (h) following the transfer to the new entity. The pari-mutuel tax credit under Section 32.1 shall not be applied toward any pari-mutuel tax obligation of the inter-track wagering location licensee of the license that is transferred under this paragraph (14).

(i) Notwithstanding the other provisions of this Act, the conduct of wagering at wagering facilities is authorized on all days, except as limited by subsection (b) of Section 19 of this Act.

(Source: P.A. 99-756, eff. 8-12-16; 99-757, eff. 8-12-16; 100-201, eff. 8-18-17; 100-627, eff. 7-20-18; 100-1152, eff. 12-14-18; revised 1-13-19.)

(230 ILCS 5/26.8)

Sec. 26.8. Beginning on February 1, 2014 and through December 31, 2020, each wagering licensee may impose a surcharge of up to 0.5% on winning wagers and winnings from wagers. The surcharge shall be deducted from winnings prior to payout. All amounts collected from the imposition of this surcharge shall be evenly distributed to the organization licensee and the purse account of the organization licensee with which the licensee is affiliated. The amounts distributed under this Section shall be in addition to the amounts paid pursuant to paragraph (10) of subsection (h) of Section 26, Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

(Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

(230 ILCS 5/26.9)

Sec. 26.9. Beginning on February 1, 2014 and through December 31, 2020, in addition to the surcharge imposed in Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each licensee shall impose a surcharge of 0.2% on winning wagers and winnings from wagers. The surcharge shall be deducted from winnings prior to payout. All amounts collected from the surcharges imposed under this Section shall be remitted to the Board. From amounts collected under this Section, the Board shall deposit an amount not to exceed \$100,000 annually into the Quarter Horse Purse Fund and all remaining amounts into the Horse Racing Fund.

(Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

(230 ILCS 5/27) (from Ch. 8, par. 37-27)

Sec. 27. (a) In addition to the organization license fee provided by this Act, until January 1, 2000, a graduated privilege tax is hereby imposed for conducting the pari-mutuel system of wagering permitted under this Act. Until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, all of the breakage of each racing day held by any licensee in the State shall be paid to the State. Until January 1, 2000, such daily graduated privilege tax shall be paid by the licensee from the amount permitted to be

retained under this Act. Until January 1, 2000, each day's graduated privilege tax, breakage, and Horse Racing Tax Allocation funds shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes. The privilege tax hereby imposed, until January 1, 2000, shall be a flat tax at the rate of 2% of the daily pari-mutuel handle except as provided in Section 27.1.

In addition, every organization licensee, except as provided in Section 27.1 of this Act, which conducts multiple wagering shall pay, until January 1, 2000, as a privilege tax on multiple wagers an amount equal to 1.25% of all moneys wagered each day on such multiple wagers, plus an additional amount equal to 3.5% of the amount wagered each day on any other multiple wager which involves a single betting interest on 3 or more horses. The licensee shall remit the amount of such taxes to the Department of Revenue within 48 hours after the close of the racing day on which it is assessed or within such other time as the Board prescribes.

This subsection (a) shall be inoperative and of no force and effect on and after January 1, 2000.

(a-5) Beginning on January 1, 2000, a flat pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel handle is imposed at all pari-mutuel wagering facilities and on advance deposit wagering from a location other than a wagering facility, except as otherwise provided for in this subsection (a-5). In addition to the pari-mutuel tax imposed on advance deposit wagering pursuant to this subsection (a-5), beginning on August 24, 2012 (the effective date of Public Act 97-1060) ~~and through December 31, 2020~~, an additional pari-mutuel tax at the rate of 0.25% shall be imposed on advance deposit wagering. Until August 25, 2012, the additional 0.25% pari-mutuel tax imposed on advance deposit wagering by Public Act 96-972 shall be deposited into the Quarter Horse Purse Fund, which shall be created as a non-appropriated trust fund administered by the Board for grants to thoroughbred organization licensees for payment of purses for quarter horse races conducted by the organization licensee. Beginning on August 26, 2012, the additional 0.25% pari-mutuel tax imposed on advance deposit wagering shall be deposited into the Standardbred Purse Fund, which shall be created as a non-appropriated trust fund administered by the Board, for grants to the standardbred organization licensees for payment of purses for standardbred horse races conducted by the organization licensee. Thoroughbred organization licensees may petition the Board to conduct quarter horse racing and receive purse grants from the Quarter Horse Purse Fund. The Board shall have complete discretion in distributing the Quarter Horse Purse Fund to the petitioning organization licensees. Beginning on July 26, 2010 (the effective date of Public Act 96-1287), a pari-mutuel tax at the rate of 0.75% of the daily pari-mutuel handle is imposed at a pari-mutuel facility whose license is derived from a track located in a county that borders the Mississippi River and conducted live racing in the previous year. The pari-mutuel tax imposed by this subsection (a-5) shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes.

(a-10) Beginning on the date when an organization licensee begins conducting gaming pursuant to an organization gaming license, the following pari-mutuel tax is imposed upon an organization licensee on Illinois races at the licensee's racetrack:

1.5% of the pari-mutuel handle at or below the average daily pari-mutuel handle for 2011.

2% of the pari-mutuel handle above the average daily pari-mutuel handle for 2011 up to 125% of the average daily pari-mutuel handle for 2011.

2.5% of the pari-mutuel handle 125% or more above the average daily pari-mutuel handle for 2011 up to 150% of the average daily pari-mutuel handle for 2011.

3% of the pari-mutuel handle 150% or more above the average daily pari-mutuel handle for 2011 up to 175% of the average daily pari-mutuel handle for 2011.

3.5% of the pari-mutuel handle 175% or more above the average daily pari-mutuel handle for 2011.

The pari-mutuel tax imposed by this subsection (a-10) shall be remitted to the Board within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes.

(b) On or before December 31, 1999, in the event that any organization licensee conducts 2 separate programs of races on any day, each such program shall be considered a separate racing day for purposes of determining the daily handle and computing the privilege tax on such daily handle as provided in subsection (a) of this Section.

(c) Licensees shall at all times keep accurate books and records of all monies wagered on each day of a race meeting and of the taxes paid to the Department of Revenue under the provisions of this Section. The Board or its duly authorized representative or representatives shall at all reasonable times have access to such records for the purpose of examining and checking the same and ascertaining whether the proper amount of taxes is being paid as provided. The Board shall require verified reports and a statement of the total of all monies wagered daily at each wagering facility upon which the taxes are assessed and may prescribe forms upon which such reports and statement shall be made.

(d) Before a license is issued or re-issued, the licensee shall post a bond in the sum of \$500,000 to the State of Illinois. The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps the books and records and makes reports, and conducts games of chance in conformity with this Act and the rules adopted by the Board. The bond shall not be canceled by a surety on less than 30 days' notice in writing to the Board. If a bond is canceled and the licensee fails to file a new bond with the Board in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond. Any licensee failing or refusing to pay the amount of any tax due under this Section shall be guilty of a business offense and upon conviction shall be fined not more than \$5,000 in addition to the amount found due as tax under this Section. Each day's violation shall constitute a separate offense. All fines paid into Court by a licensee hereunder shall be transmitted and paid over by the Clerk of the Court to the Board.

(e) No other license fee, privilege tax, excise tax, or racing fee, except as provided in this Act, shall be assessed or collected from any such licensee by the State.

(f) No other license fee, privilege tax, excise tax or racing fee shall be assessed or collected from any such licensee by units of local government except as provided in paragraph 10.1 of subsection (h) and subsection (f) of Section 26 of this Act. However, any municipality that has a Board licensed horse race meeting at a race track wholly within its corporate boundaries or a township that has a Board licensed horse race meeting at a race track wholly within the unincorporated area of the township may charge a local amusement tax not to exceed 10¢ per admission to such horse race meeting by the enactment of an ordinance. However, any municipality or county that has a Board licensed inter-track wagering location facility wholly within its corporate boundaries may each impose an admission fee not to exceed \$1.00 per admission to such inter-track wagering location facility, so that a total of not more than \$2.00 per admission may be imposed. Except as provided in subparagraph (g) of Section 27 of this Act, the inter-track wagering location licensee shall collect any and all such fees and within 48 hours remit the fees to the Board as the Board prescribes, which shall, pursuant to rule, cause the fees to be distributed to the county or municipality.

(g) Notwithstanding any provision in this Act to the contrary, if in any calendar year the total taxes and fees from wagering on live racing and from inter-track wagering required to be collected from licensees and distributed under this Act to all State and local governmental authorities exceeds the amount of such taxes and fees distributed to each State and local governmental authority to which each State and local governmental authority was entitled under this Act for calendar year 1994, then the first \$11 million of that excess amount shall be allocated at the earliest possible date for distribution as purse money for the succeeding calendar year. Upon reaching the 1994 level, and until the excess amount of taxes and fees exceeds \$11 million, the Board shall direct all licensees to cease paying the subject taxes and fees and the Board shall direct all licensees to allocate any such excess amount for purses as follows:

(i) the excess amount shall be initially divided between thoroughbred and standardbred purses based on the thoroughbred's and standardbred's respective percentages of total Illinois live wagering in calendar year 1994;

(ii) each thoroughbred and standardbred organization licensee issued an organization licensee in that succeeding allocation year shall be allocated an amount equal to the product of its percentage of total Illinois live thoroughbred or standardbred wagering in calendar year 1994 (the total to be determined based on the sum of 1994 on-track wagering for all organization licensees issued organization licenses in both the allocation year and the preceding year) multiplied by the total amount allocated for standardbred or thoroughbred purses, provided that the first \$1,500,000 of the amount allocated to standardbred purses under item (i) shall be allocated to the Department of Agriculture to be expended with the assistance and advice of the Illinois Standardbred Breeders Funds Advisory Board for the purposes listed in subsection (g) of Section 31 of this Act, before the amount allocated to standardbred purses under item (i) is allocated to standardbred organization licensees in the succeeding allocation year.

To the extent the excess amount of taxes and fees to be collected and distributed to State and local governmental authorities exceeds \$11 million, that excess amount shall be collected and distributed to State and local authorities as provided for under this Act.

(Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

(230 ILCS 5/29) (from Ch. 8, par. 37-29)

Sec. 29. (a) After the privilege or pari-mutuel tax established in Sections 26(f), 27, and 27.1 is paid to the State from the monies retained by the organization licensee pursuant to Sections 26, 26.2, and 26.3, the remainder of those monies retained pursuant to Sections 26 and 26.2, except as provided in subsection (g) of Section 27 of this Act, shall be allocated evenly to the organization licensee and as purses.

(b) (Blank).

(c) (Blank).

(d) From the amounts generated for purses from all sources, including, but not limited to, amounts generated from wagering conducted by organization licensees, organization gaming licensees, inter-track wagering licensees, inter-track wagering location licensees, and advance deposit wagering licensees, an organization representing the largest number of horse owners and trainers in Illinois, for thoroughbred and standardbred horses that race at the track of the organization licensee, may negotiate an amount equal to 5% of any and all revenue earned by the organization licensee for purses for that calendar year. A contract with the appropriate thoroughbred or standardbred horsemen organization shall be negotiated with the organization licensee before the beginning of each calendar year. No more than 50% of those funds shall be used for operational expenses. At least 50% of those funds shall be used for programs for backstretch workers, retirement plans, diversity scholarships, horse aftercare programs, workers compensation insurance fees, and horse ownership programs. Audited financial statements certifying how the funding is spent shall be provided to the organization licensee once each calendar quarter.

No later than 105 days after the close of the organization's fiscal year, any organization that has received moneys pursuant to this subsection (d) during that prior year shall file with the Illinois Racing Board, the Illinois Gaming Board, and the organization licensee whose purse account moneys have been transferred to the organization, statements verified by a certified public accountant that shows the financial condition of such organization and contains itemized statements of the audited receipts and audited disbursements of the organization for such the year. The Board shall audit the books and records of any such organization annually. The Board shall make that information available on its website. Each organization licensee and inter-track wagering licensee from the money retained for purses as set forth in subsection (a) of this Section, shall pay to an organization representing the largest number of horse owners and trainers which has negotiated a contract with the organization licensee for such purpose an amount equal to at least 1% of the organization licensee's and inter-track wagering licensee's retention of the pari-mutuel handle for the racing season. Each inter-track wagering location licensee, from the 4% of its handle required to be paid as purses under paragraph (11) of subsection (h) of Section 26 of this Act, shall pay to the contractually established representative organization 2% of that 4%, provided that the payments so made to the organization shall not exceed a total of \$125,000 in any calendar year. Such contract shall be negotiated and signed prior to the beginning of the racing season.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 5/30) (from Ch. 8, par. 37-30)

Sec. 30. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of thoroughbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality thoroughbred horses to participate in thoroughbred racing meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Act.

(b) Each organization licensee conducting a thoroughbred racing meeting pursuant to this Act shall provide at least two races each day limited to Illinois conceived and foaled horses or Illinois foaled horses or both. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled or Illinois foaled horses or both. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality, and class of Illinois conceived and foaled and Illinois foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Thoroughbred Breeders Fund.

Beginning on the effective date of this amendatory Act of the 101st General Assembly, the Illinois Thoroughbred Breeders Fund shall become a non-appropriated trust fund held separate from State moneys. Expenditures from this Fund shall no longer be subject to appropriation.

Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the monies received by the State as privilege taxes on Thoroughbred racing meetings shall be paid into the Illinois Thoroughbred Breeders Fund.

Notwithstanding any provision of law to the contrary, amounts deposited into the Illinois Thoroughbred Breeders Fund from revenues generated by gaming pursuant to an organization gaming license issued under the Illinois Gambling Act after the effective date of this amendatory Act of the 101st General Assembly shall be in addition to tax and fee amounts paid under this Section for calendar year 2019 and thereafter.

[June 2, 2019]

(e) The Illinois Thoroughbred Breeders Fund shall be administered by the Department of Agriculture with the advice and assistance of the Advisory Board created in subsection (f) of this Section.

(f) The Illinois Thoroughbred Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; 2 representatives of the organization licensees conducting thoroughbred racing meetings, recommended by them; 2 representatives of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by it; one representative and ~~2 representatives~~ of the Horsemen's Benevolent Protective Association ; and one representative from the Illinois Thoroughbred Horsemen's Association ~~or any successor organization established in Illinois comprised of the largest number of owners and trainers, recommended by it, with one representative of the Horsemen's Benevolent and Protective Association to come from its Illinois Division, and one from its Chicago Division.~~ Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives of the organization licensees conducting thoroughbred racing meetings, the Illinois Thoroughbred Breeders and Owners Foundation, and the Horsemen's Benevolent Protection Association , and the Illinois Thoroughbred Horsemen's Association have not been recommended by January 1, of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) ~~No monies shall be expended from the Illinois Thoroughbred Breeders Fund except as appropriated by the General Assembly. Monies expended appropriated~~ from the Illinois Thoroughbred Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, for the following purposes only:

(1) To provide purse supplements to owners of horses participating in races limited to

Illinois conceived and foaled and Illinois foaled horses. Any such purse supplements shall not be included in and shall be paid in addition to any purses, stakes, or breeders' awards offered by each organization licensee as determined by agreement between such organization licensee and an organization representing the horsemen. No monies from the Illinois Thoroughbred Breeders Fund shall be used to provide purse supplements for claiming races in which the minimum claiming price is less than \$7,500.

(2) To provide stakes and awards to be paid to the owners of the winning horses in

certain races limited to Illinois conceived and foaled and Illinois foaled horses designated as stakes races.

(2.5) To provide an award to the owner or owners of an Illinois conceived and foaled or

Illinois foaled horse that wins a maiden special weight, an allowance, overnight handicap race, or claiming race with claiming price of \$10,000 or more providing the race is not restricted to Illinois conceived and foaled or Illinois foaled horses. Awards shall also be provided to the owner or owners of Illinois conceived and foaled and Illinois foaled horses that place second or third in those races. To the extent that additional moneys are required to pay the minimum additional awards of 40% of the purse the horse earns for placing first, second or third in those races for Illinois foaled horses and of 60% of the purse the horse earns for placing first, second or third in those races for Illinois conceived and foaled horses, those moneys shall be provided from the purse account at the track where earned.

(3) To provide stallion awards to the owner or owners of any stallion that is duly

registered with the Illinois Thoroughbred Breeders Fund Program ~~prior to the effective date of this amendatory Act of 1995~~ whose duly registered Illinois conceived and foaled offspring wins a race conducted at an Illinois thoroughbred racing meeting other than a claiming race , provided that the stallion stood service within Illinois at the time the offspring was conceived and that the stallion did not stand for service outside of Illinois at any time during the year in which the offspring was conceived. ~~Such award shall not be paid to the owner or owners of an Illinois stallion that served outside this State at any time during the calendar year in which such race was conducted.~~

(4) To provide \$75,000 annually for purses to be distributed to county fairs that

provide for the running of races during each county fair exclusively for the thoroughbreds conceived and foaled in Illinois. The conditions of the races shall be developed by the county fair association and reviewed by the Department with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. There shall be no wagering of any kind on the running of Illinois conceived and foaled races at county fairs.

(4.1) To provide purse money for an Illinois stallion stakes program.

(5) No less than ~~90%~~ 80% of all monies expended ~~appropriated~~ from the Illinois Thoroughbred Breeders Fund shall be

expended for the purposes in (1), (2), (2.5), (3), (4), (4.1), and (5) as shown above.

(6) To provide for educational programs regarding the thoroughbred breeding industry.

(7) To provide for research programs concerning the health, development and care of the thoroughbred horse.

(8) To provide for a scholarship and training program for students of equine veterinary medicine.

(9) To provide for dissemination of public information designed to promote the breeding of thoroughbred horses in Illinois.

(10) To provide for all expenses incurred in the administration of the Illinois Thoroughbred Breeders Fund.

(h) The Illinois Thoroughbred Breeders Fund is not subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act. Whenever the Governor finds that the amount in the Illinois Thoroughbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Thoroughbred Breeders Fund to the General Revenue Fund.

(i) A sum equal to 13% of the first prize money of every purse won by an Illinois foaled or Illinois conceived and foaled horse in races not limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid 50% from the organization licensee's share of the money wagered and 50% from the purse account as follows: 11 1/2% to the breeder of the winning horse and 1 1/2% to the organization representing thoroughbred breeders and owners who representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. Beginning in the calendar year in which an organization licensee that is eligible to receive payments under paragraph (13) of subsection (g) of Section 26 of this Act begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, a sum equal to 21 1/2% of the first prize money of every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to an Illinois conceived and foaled horse, or both, shall be paid 30% from the organization licensee's account and 70% from the purse account as follows: 20% to the breeder of the winning horse and 1 1/2% to the organization representing thoroughbred breeders and owners whose representatives serve on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their distribution in accordance with this Act, and servicing and promoting the Illinois Thoroughbred racing industry. A sum equal to 12 1/2% of the first prize money of every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid from the organization licensee's share of the money wagered as follows: 11 1/2% to the breeder of the winning horse and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (i) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies. Such payments shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards under this subsection to verify accuracy of payments and assure proper distribution of breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(j) A sum equal to 13% of the first prize money won in every race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid in the following manner by the organization licensee conducting the horse race meeting, 50% from the organization licensee's share of the money wagered and 50% from the purse account as follows: 11 1/2% to the breeders of the horses in each such race which are the official first, second, third, and fourth finishers and 1 1/2% to the organization

representing thoroughbred breeders and owners whose representatives serve on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois horse racing industry. Beginning in the calendar year in which an organization licensee that is eligible to receive payments under paragraph (13) of subsection (g) of Section 26 of this Act begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, a sum of 21 1/2% of every purse in a race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid 30% from the organization licensee's account and 70% from the purse account as follows: 20% to the breeders of the horses in each such race who are official first, second, third and fourth finishers and 1 1/2% to the organization representing thoroughbred breeders and owners whose representatives serve on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of moneys received under this subsection (j) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies. The copies of the audit to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct. A sum equal to 12 1/2% of the first-prize money won in each race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid in the following manner by the organization licensee conducting the horse race meeting, from the organization licensee's share of the money wagered: 11 1/2% to the breeders of the horses in each such race which are the official first, second, third and fourth finishers and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (j) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies.

The amounts 11 1/2% paid to the breeders in accordance with this subsection shall be distributed as follows:

- (1) 60% of such sum shall be paid to the breeder of the horse which finishes in the official first position;
- (2) 20% of such sum shall be paid to the breeder of the horse which finishes in the official second position;
- (3) 15% of such sum shall be paid to the breeder of the horse which finishes in the official third position; and
- (4) 5% of such sum shall be paid to the breeder of the horse which finishes in the official fourth position.

Such payments shall not reduce any award to the owners of a horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(k) The term "breeder", as used herein, means the owner of the mare at the time the foal is dropped. An "Illinois foaled horse" is a foal dropped by a mare which enters this State on or before December 1, in the year in which the horse is bred, provided the mare remains continuously in this State until its foal is born. An "Illinois foaled horse" also means a foal born of a mare in the same year as the mare enters this State on or before March 1, and remains in this State at least 30 days after foaling, is bred back during the season of the foaling to an Illinois Registered Stallion (unless a veterinarian certifies that the mare should not be bred for health reasons), and is not bred to a stallion standing in any other state during the season of foaling. An "Illinois foaled horse" also means a foal born in Illinois of a mare purchased at public auction

subsequent to the mare entering this State ~~on or before March 1~~ prior to February 1 of the foaling year providing the mare is owned solely by one or more Illinois residents or an Illinois entity that is entirely owned by one or more Illinois residents.

(l) The Department of Agriculture shall, by rule, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board:

(1) Qualify stallions for Illinois breeding; such stallions to stand for service within the State of Illinois at the time of a foal's conception. Such stallion must not stand for service at any place outside the State of Illinois during the calendar year in which the foal is conceived. The Department of Agriculture may assess and collect an application fee of up to \$500 fees for the registration of Illinois-eligible stallions. All fees collected are to be held in trust accounts for the purposes set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law paid into the Illinois Thoroughbred Breeders Fund.

(2) Provide for the registration of Illinois conceived and foaled horses and Illinois foaled horses. No such horse shall compete in the races limited to Illinois conceived and foaled horses or Illinois foaled horses or both unless registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as are necessary to determine the eligibility of such horses. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible foals. All fees collected are to be held in trust accounts for the purposes set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law paid into the Illinois Thoroughbred Breeders Fund. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information.

(m) The Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, shall provide that certain races limited to Illinois conceived and foaled and Illinois foaled horses be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

In determining the stakes races and the amount of awards for such races, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, organization licensees' contributions, availability of stakes caliber horses as demonstrated by past performances, whether the race can be coordinated into the proposed racing dates within organization licensees' racing dates, opportunity for colts and fillies and various age groups to race, public wagering on such races, and the previous racing schedule.

(n) The Board and the organization ~~organizational~~ licensee shall notify the Department of the conditions and minimum purses for races limited to Illinois conceived and foaled and Illinois foaled horses conducted for each organization ~~organizational~~ licensee conducting a thoroughbred racing meeting. The Department of Agriculture with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, the number of races that may occur, and the organization ~~organizational~~ licensee's purse structure.

(o) (Blank).

(Source: P.A. 98-692, eff. 7-1-14.)

(230 ILCS 5/30.5)

Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

(a) The General Assembly declares that it is the policy of this State to encourage the breeding of racing quarter horses in this State and the ownership of such horses by residents of this State in order to provide for sufficient numbers of high quality racing quarter horses in this State and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Act.

(b) There is hereby created a special fund in the State Treasury to be known as the Illinois Racing Quarter Horse Breeders Fund. Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the moneys received by the State as pari-mutuel taxes on quarter horse racing shall be paid into the Illinois Racing Quarter Horse Breeders Fund. The Illinois Racing Quarter Horse Breeders Fund shall not be subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act.

(c) The Illinois Racing Quarter Horse Breeders Fund shall be administered by the Department of Agriculture with the advice and assistance of the Advisory Board created in subsection (d) of this Section.

(d) The Illinois Racing Quarter Horse Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; one representative of the organization licensees conducting pari-mutuel quarter horse

racing meetings, recommended by them; 2 representatives of the Illinois Running Quarter Horse Association, recommended by it; and the Superintendent of Fairs and Promotions from the Department of Agriculture. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives have not been recommended by January 1 of each odd numbered year, the Director of the Department of Agriculture may make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but may be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(e) ~~Moneys in No moneys shall be expended from the Illinois Racing Quarter Horse Breeders Fund except as appropriated by the General Assembly. Moneys appropriated from the Illinois Racing Quarter Horse Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board, for the following purposes only:~~

(1) To provide stakes and awards to be paid to the owners of the winning horses in certain races. This provision is limited to Illinois conceived and foaled horses.

(2) To provide an award to the owner or owners of an Illinois conceived and foaled horse that wins a race when pari-mutuel wagering is conducted; providing the race is not restricted to Illinois conceived and foaled horses.

(3) To provide purse money for an Illinois stallion stakes program.

(4) To provide for purses to be distributed for the running of races during the Illinois State Fair and the DuQuoin State Fair exclusively for quarter horses conceived and foaled in Illinois.

(5) To provide for purses to be distributed for the running of races at Illinois county fairs exclusively for quarter horses conceived and foaled in Illinois.

(6) To provide for purses to be distributed for running races exclusively for quarter horses conceived and foaled in Illinois at locations in Illinois determined by the Department of Agriculture with advice and consent of the Illinois Racing Quarter Horse Breeders Fund Advisory Board.

(7) No less than 90% of all moneys appropriated from the Illinois Racing Quarter Horse Breeders Fund shall be expended for the purposes in items (1), (2), (3), (4), and (5) of this subsection (e).

(8) To provide for research programs concerning the health, development, and care of racing quarter horses.

(9) To provide for dissemination of public information designed to promote the breeding of racing quarter horses in Illinois.

(10) To provide for expenses incurred in the administration of the Illinois Racing Quarter Horse Breeders Fund.

(f) The Department of Agriculture shall, by rule, with the advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board:

(1) Qualify stallions for Illinois breeding; such stallions to stand for service within the State of Illinois, at the time of a foal's conception. Such stallion must not stand for service at any place outside the State of Illinois during the calendar year in which the foal is conceived. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible stallions. All fees collected are to be paid into the Illinois Racing Quarter Horse Breeders Fund.

(2) Provide for the registration of Illinois conceived and foaled horses. No such horse shall compete in the races limited to Illinois conceived and foaled horses unless it is registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as are necessary to determine the eligibility of such horses. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible foals. All fees collected are to be paid into the Illinois Racing Quarter Horse Breeders Fund. No person shall knowingly prepare or cause preparation of an application for registration of such foals that contains false information.

(g) The Department of Agriculture, with the advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board, shall provide that certain races limited to Illinois conceived and foaled be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

(Source: P.A. 98-463, eff. 8-16-13.)

(230 ILCS 5/31) (from Ch. 8, par. 37-31)

Sec. 31. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of standardbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality standardbred horses to participate in harness racing meetings in this State, and to establish and preserve the agricultural and commercial benefits of such

breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Section of this Act.

(b) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide for at least two races each race program limited to Illinois conceived and foaled horses. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled horses. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

(b-5) Organization licensees, not including the Illinois State Fair or the DuQuoin State Fair, shall provide stake races and early closer races for Illinois conceived and foaled horses so that purses distributed for such races shall be no less than 17% of total purses distributed for harness racing in that calendar year in addition to any stakes payments and starting fees contributed by horse owners.

(b-10) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide an owner award to be paid from the purse account equal to 12% of the amount earned by Illinois conceived and foaled horses finishing in the first 3 positions in races that are not restricted to Illinois conceived and foaled horses. The owner awards shall not be paid on races below the \$10,000 claiming class.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality and class of Illinois conceived and foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Standardbred Breeders Fund. Beginning on the effective date of this amendatory Act of the 101st General Assembly, the Illinois Standardbred Breeders Fund shall become a non-appropriated trust fund held separate and apart from State moneys. Expenditures from this Fund shall no longer be subject to appropriation.

During the calendar year 1981, and each year thereafter, except as provided in subsection (g) of Section 27 of this Act, eight and one-half per cent of all the monies received by the State as privilege taxes on harness racing meetings shall be paid into the Illinois Standardbred Breeders Fund.

(e) Notwithstanding any provision of law to the contrary, amounts deposited into the Illinois Standardbred Breeders Fund from revenues generated by gaming pursuant to an organization gaming license issued under the Illinois Gambling Act after the effective date of this amendatory Act of the 101st General Assembly shall be in addition to tax and fee amounts paid under this Section for calendar year 2019 and thereafter. The Illinois Standardbred Breeders Fund shall be administered by the Department of Agriculture with the assistance and advice of the Advisory Board created in subsection (f) of this Section.

(f) The Illinois Standardbred Breeders Fund Advisory Board is hereby created. The Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; the Superintendent of the Illinois State Fair; a member of the Illinois Racing Board, designated by it; a representative of the largest association of Illinois standardbred owners and breeders, recommended by it; a representative of a statewide association representing agricultural fairs in Illinois, recommended by it, such representative to be from a fair at which Illinois conceived and foaled racing is conducted; a representative of the organization licensees conducting harness racing meetings, recommended by them; a representative of the Breeder's Committee of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, recommended by it; and a representative of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, recommended by it. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives of the largest association of Illinois standardbred owners and breeders, a statewide association of agricultural fairs in Illinois, the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, a member of the Breeder's Committee of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, and the organization licensees conducting harness racing meetings have not been recommended by January 1 of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) No monies shall be expended from the Illinois Standardbred Breeders Fund except as appropriated by the General Assembly. Monies expended appropriated from the Illinois Standardbred Breeders Fund shall be expended by the Department of Agriculture, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board for the following purposes only:

1. To provide purses for races limited to Illinois conceived and foaled horses at the State Fair and the DuQuoin State Fair.
2. To provide purses for races limited to Illinois conceived and foaled horses at county

fairs.

3. To provide purse supplements for races limited to Illinois conceived and foaled horses conducted by associations conducting harness racing meetings.

4. No less than 75% of all monies in the Illinois Standardbred Breeders Fund shall be expended for purses in 1, 2 and 3 as shown above.

5. In the discretion of the Department of Agriculture to provide awards to harness breeders of Illinois conceived and foaled horses which win races conducted by organization licensees conducting harness racing meetings. A breeder is the owner of a mare at the time of conception. No more than 10% of all monies appropriated from the Illinois Standardbred Breeders Fund shall be expended for such harness breeders awards. No more than 25% of the amount expended for harness breeders awards shall be expended for expenses incurred in the administration of such harness breeders awards.

6. To pay for the improvement of racing facilities located at the State Fair and County fairs.

7. To pay the expenses incurred in the administration of the Illinois Standardbred Breeders Fund.

8. To promote the sport of harness racing, including grants up to a maximum of \$7,500 per fair per year for conducting pari-mutuel wagering during the advertised dates of a county fair.

9. To pay up to \$50,000 annually for the Department of Agriculture to conduct drug testing at county fairs racing standardbred horses.

(h) The Illinois Standardbred Breeders Fund is not subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act. Whenever the Governor finds that the amount in the Illinois Standardbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Standardbred Breeders Fund to the General Revenue Fund.

(i) A sum equal to 13% 42-1/2% of the first prize money of the gross every purse won by an Illinois conceived and foaled horse shall be paid 50% by the organization licensee conducting the horse race meeting to the breeder of such winning horse from the organization licensee's account and 50% from the purse account of the licensee share of the money wagered. Such payment shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Such payment shall be delivered by the organization licensee at the end of each quarter race meeting.

(j) The Department of Agriculture shall, by rule, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board:

1. Qualify stallions for Illinois Standardbred Breeders Fund breeding; such stallion

shall be owned by a resident of the State of Illinois or by an Illinois corporation all of whose shareholders, directors, officers and incorporators are residents of the State of Illinois. Such stallion shall stand for service at and within the State of Illinois at the time of a foal's conception, and such stallion must not stand for service at any place, nor may semen from such stallion be transported, outside the State of Illinois during that calendar year in which the foal is conceived and that the owner of the stallion was for the 12 months prior, a resident of Illinois. However, from January 1, 2018 until January 1, 2022, semen from an Illinois stallion may be transported outside the State of Illinois. The articles of agreement of any partnership, joint venture, limited partnership, syndicate, association or corporation and any bylaws and stock certificates must contain a restriction that provides that the ownership or transfer of interest by any one of the persons a party to the agreement can only be made to a person who qualifies as an Illinois resident.

2. Provide for the registration of Illinois conceived and foaled horses and no such horse shall compete in the races limited to Illinois conceived and foaled horses unless registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as may be necessary to determine the eligibility of such horses. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information. A mare (dam) must be in the State at least 30 days prior to foaling or remain in the State at least 30 days at the time of foaling. However, the requirement that a mare (dam) must be in the State at least 30 days before foaling or remain in the State at least 30 days at the time of foaling shall not be in effect from January 1, 2018 until January 1, 2022. Beginning with the 1996 breeding season and for foals of 1997 and thereafter, a foal conceived by transported semen may be eligible for Illinois conceived and foaled registration provided all breeding and foaling requirements are met. The stallion must be qualified for Illinois Standardbred Breeders Fund breeding at the time of conception and the mare must be inseminated within the State of Illinois. The foal must be dropped in Illinois and properly registered with the

Department of Agriculture in accordance with this Act. However, from January 1, 2018 until January 1, 2022, the requirement for a mare to be inseminated within the State of Illinois and the requirement for a foal to be dropped in Illinois are inapplicable.

3. Provide that at least a 5 day racing program shall be conducted at the State Fair each year, which program shall include at least the following races limited to Illinois conceived and foaled horses: (a) a two year old Trot and Pace, and Filly Division of each; (b) a three year old Trot and Pace, and Filly Division of each; (c) an aged Trot and Pace, and Mare Division of each.

4. Provide for the payment of nominating, sustaining and starting fees for races promoting the sport of harness racing and for the races to be conducted at the State Fair as provided in subsection (j) 3 of this Section provided that the nominating, sustaining and starting payment required from an entrant shall not exceed 2% of the purse of such race. All nominating, sustaining and starting payments shall be held for the benefit of entrants and shall be paid out as part of the respective purses for such races. Nominating, sustaining and starting fees shall be held in trust accounts for the purposes as set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law (20 ILCS 205/205-15).

5. Provide for the registration with the Department of Agriculture of Colt Associations or county fairs desiring to sponsor races at county fairs.

6. Provide for the promotion of producing standardbred racehorses by providing a bonus award program for owners of 2-year-old horses that win multiple major stakes races that are limited to Illinois conceived and foaled horses.

(k) The Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board, may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Standardbred Breeders Fund program, the number of races that may occur, and an organization ~~organizational~~ licensee's purse structure. The organization ~~organizational~~ licensee shall notify the Department of Agriculture of the conditions and minimum purses for races limited to Illinois conceived and foaled horses to be conducted by each organization ~~organizational~~ licensee conducting a harness racing meeting for which purse supplements have been negotiated.

(l) All races held at county fairs and the State Fair which receive funds from the Illinois Standardbred Breeders Fund shall be conducted in accordance with the rules of the United States Trotting Association unless otherwise modified by the Department of Agriculture.

(m) At all standardbred race meetings held or conducted under authority of a license granted by the Board, and at all standardbred races held at county fairs which are approved by the Department of Agriculture or at the Illinois or DuQuoin State Fairs, no one shall jog, train, warm up or drive a standardbred horse unless he or she is wearing a protective safety helmet, with the chin strap fastened and in place, which meets the standards and requirements as set forth in the 1984 Standard for Protective Headgear for Use in Harness Racing and Other Equestrian Sports published by the Snell Memorial Foundation, or any standards and requirements for headgear the Illinois Racing Board may approve. Any other standards and requirements so approved by the Board shall equal or exceed those published by the Snell Memorial Foundation. Any equestrian helmet bearing the Snell label shall be deemed to have met those standards and requirements.

(Source: P.A. 99-756, eff. 8-12-16; 100-777, eff. 8-10-18.)

(230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

Sec. 31.1. (a) Unless subsection (a-5) applies, organization ~~Organization~~ licensees collectively shall contribute annually to charity the sum of \$750,000 to non-profit organizations that provide medical and family, counseling, and similar services to persons who reside or work on the backstretch of Illinois racetracks. Unless subsection (a-5) applies, these ~~These~~ contributions shall be collected as follows: (i) no later than July 1st of each year the Board shall assess each organization licensee, except those tracks located in Madison County, which are not within 100 miles of each other ~~which tracks shall pay \$30,000 annually apiece into the Board charity fund, that amount which equals \$690,000 multiplied by the amount of pari-mutuel wagering handled by the organization licensee in the year preceding assessment and divided by the total pari-mutuel wagering handled by all Illinois organization licensees, except those tracks located in Madison and Rock Island counties which are not within 100 miles of each other,~~ in the year preceding assessment; (ii) notice of the assessed contribution shall be mailed to each organization licensee; (iii) within thirty days of its receipt of such notice, each organization licensee shall remit the assessed contribution to the Board. Unless subsection (a-5) applies, if an organization licensee commences operation of gaming at its facility pursuant to an organization gaming license under the Illinois Gambling Act, then the organization licensee shall contribute an additional \$83,000 per year beginning in the year

subsequent to the first year in which the organization licensee begins receiving funds from gaming pursuant to an organization gaming license. If an organization licensee wilfully fails to so remit the contribution, the Board may revoke its license to conduct horse racing.

(a-5) If (1) an organization licensee that did not operate live racing in 2017 is awarded racing dates in 2018 or in any subsequent year and (2) all organization licensees are operating gaming pursuant to an organization gaming license under the Illinois Gambling Act, then subsection (a) does not apply and organization licensees collectively shall contribute annually to charity the sum of \$1,000,000 to non-profit organizations that provide medical and family, counseling, and similar services to persons who reside or work on the backstretch of Illinois racetracks. These contributions shall be collected as follows: (i) no later than July 1st of each year the Board shall assess each organization licensee an amount based on the proportionate amount of live racing days in the calendar year for which the Board has awarded to the organization licensee out of the total aggregate number of live racing days awarded; (ii) notice of the assessed contribution shall be mailed to each organization licensee; (iii) within 30 days after its receipt of such notice, each organization licensee shall remit the assessed contribution to the Board. If an organization licensee wilfully fails to so remit the contribution, the Board may revoke its license to conduct horse racing.

(b) No later than October 1st of each year, any qualified charitable organization seeking an allotment of contributed funds shall submit to the Board an application for those funds, using the Board's approved form. No later than December 31st of each year, the Board shall distribute all such amounts collected that year to such charitable organization applicants.

(Source: P.A. 87-110.)

(230 ILCS 5/32.1)

Sec. 32.1. Pari-mutuel tax credit; statewide racetrack real estate equalization.

(a) In order to encourage new investment in Illinois racetrack facilities and mitigate differing real estate tax burdens among all racetracks, the licensees affiliated or associated with each racetrack that has been awarded live racing dates in the current year shall receive an immediate pari-mutuel tax credit in an amount equal to the greater of (i) 50% of the amount of the real estate taxes paid in the prior year attributable to that racetrack, or (ii) the amount by which the real estate taxes paid in the prior year attributable to that racetrack exceeds 60% of the average real estate taxes paid in the prior year for all racetracks awarded live horse racing meets in the current year.

Each year, regardless of whether the organization licensee conducted live racing in the year of certification, the Board shall certify in writing, prior to December 31, the real estate taxes paid in that year for each racetrack and the amount of the pari-mutuel tax credit that each organization licensee, inter-track wagering licensee, and inter-track wagering location licensee that derives its license from such racetrack is entitled in the succeeding calendar year. The real estate taxes considered under this Section for any racetrack shall be those taxes on the real estate parcels and related facilities used to conduct a horse race meeting and inter-track wagering at such racetrack under this Act. In no event shall the amount of the tax credit under this Section exceed the amount of pari-mutuel taxes otherwise calculated under this Act. The amount of the tax credit under this Section shall be retained by each licensee and shall not be subject to any reallocation or further distribution under this Act. The Board may promulgate emergency rules to implement this Section.

(b) If the organization licensee is operating gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, except the organization licensee described in Section 19.5, then, for the 5-year period beginning on the January 1 of the calendar year immediately following the calendar year during which an organization licensee begins conducting gaming operations pursuant to an organization gaming license issued under the Illinois Gambling Act, the organization licensee shall make capital expenditures, in an amount equal to no less than 50% of the tax credit under this Section, to the improvement and maintenance of the backstretch, including, but not limited to, backstretch barns, dormitories, and services for backstretch workers. Those capital expenditures must be in addition to, and not in lieu of, the capital expenditures made for backstretch improvements in calendar year 2015, as reported to the Board in the organization licensee's application for racing dates and as certified by the Board. The organization licensee is required to annually submit the list and amounts of these capital expenditures to the Board by January 30th of the year following the expenditure.

(c) If the organization licensee is conducting gaming in accordance with paragraph (b), then, after the 5-year period beginning on January 1 of the calendar year immediately following the calendar year during which an organization licensee begins conducting gaming operations pursuant to an organization gaming license issued under the Illinois Gambling Act, the organization license is ineligible to receive a tax credit under this Section.

(Source: P.A. 100-201, eff. 8-18-17.)

(230 ILCS 5/34.3 new)

Sec. 34.3. Drug testing. The Illinois Racing Board and the Department of Agriculture shall jointly establish a program for the purpose of conducting drug testing of horses at county fairs and shall adopt any rules necessary for enforcement of the program. The rules shall include appropriate penalties for violations.

(230 ILCS 5/36) (from Ch. 8, par. 37-36)

Sec. 36. (a) Whoever administers or conspires to administer to any horse a hypnotic, narcotic, stimulant, depressant or any chemical substance which may affect the speed of a horse at any time in any race where the purse or any part of the purse is made of money authorized by any Section of this Act, except those chemical substances permitted by ruling of the Board, internally, externally or by hypodermic method in a race or prior thereto, or whoever knowingly enters a horse in any race within a period of 24 hours after any hypnotic, narcotic, stimulant, depressant or any other chemical substance which may affect the speed of a horse at any time, except those chemical substances permitted by ruling of the Board, has been administered to such horse either internally or externally or by hypodermic method for the purpose of increasing or retarding the speed of such horse shall be guilty of a Class 4 felony. The Board shall suspend or revoke such violator's license.

(b) The term "hypnotic" as used in this Section includes all barbituric acid preparations and derivatives.

(c) The term "narcotic" as used in this Section includes opium and all its alkaloids, salts, preparations and derivatives, cocaine and all its salts, preparations and derivatives and substitutes.

(d) The provisions of this Section and the treatment authorized in this Section apply to horses entered in and competing in race meetings as defined in Section 3.07 of this Act and to horses entered in and competing at any county fair.

(Source: P.A. 79-1185.)

(230 ILCS 5/40) (from Ch. 8, par. 37-40)

Sec. 40. (a) The imposition of any fine or penalty provided in this Act shall not preclude the Board in its rules and regulations from imposing a fine or penalty for any other action which, in the Board's discretion, is a detriment or impediment to horse racing.

(b) The Director of Agriculture or his or her authorized representative shall impose the following monetary penalties and hold administrative hearings as required for failure to submit the following applications, lists, or reports within the time period, date or manner required by statute or rule or for removing a foal from Illinois prior to inspection:

(1) late filing of a renewal application for offering or standing stallion for service:

(A) if an application is submitted no more than 30 days late, \$50;

(B) if an application is submitted no more than 45 days late, \$150; or

(C) if an application is submitted more than 45 days late, if filing of the application is allowed under an administrative hearing, \$250;

(2) late filing of list or report of mares bred:

(A) if a list or report is submitted no more than 30 days late, \$50;

(B) if a list or report is submitted no more than 60 days late, \$150; or

(C) if a list or report is submitted more than 60 days late, if filing of the list or report is allowed under an administrative hearing, \$250;

(3) filing an Illinois foaled thoroughbred mare status report after the statutory deadline as provided in subsection (k) of Section 30 of this Act ~~December 31:~~

(A) if a report is submitted no more than 30 days late, \$50;

(B) if a report is submitted no more than 90 days late, \$150;

(C) if a report is submitted no more than 150 days late, \$250; or

(D) if a report is submitted more than 150 days late, if filing of the report is allowed under an administrative hearing, \$500;

(4) late filing of application for foal eligibility certificate:

(A) if an application is submitted no more than 30 days late, \$50;

(B) if an application is submitted no more than 90 days late, \$150;

(C) if an application is submitted no more than 150 days late, \$250; or

(D) if an application is submitted more than 150 days late, if filing of the application is allowed under an administrative hearing, \$500;

(5) failure to report the intent to remove a foal from Illinois prior to inspection, identification and certification by a Department of Agriculture investigator, \$50; and

(6) if a list or report of mares bred is incomplete, \$50 per mare not included on the list or report.

Any person upon whom monetary penalties are imposed under this Section 3 times within a 5-year period shall have any further monetary penalties imposed at double the amounts set forth above. All monies assessed and collected for violations relating to thoroughbreds shall be paid into the Illinois Thoroughbred Breeders Fund. All monies assessed and collected for violations relating to standardbreds shall be paid into the Illinois Standardbred Breeders Fund.

(Source: P.A. 99-933, eff. 1-27-17; 100-201, eff. 8-18-17.)

(230 ILCS 5/54.75)

Sec. 54.75. Horse Racing Equity Trust Fund.

(a) There is created a Fund to be known as the Horse Racing Equity Trust Fund, which is a non-appropriated trust fund held separate and apart from State moneys. The Fund shall consist of moneys paid into it by owners licensees under the Illinois Riverboat Gambling Act for the purposes described in this Section. The Fund shall be administered by the Board. Moneys in the Fund shall be distributed as directed and certified by the Board in accordance with the provisions of subsection (b).

(b) The moneys deposited into the Fund, plus any accrued interest on those moneys, shall be distributed within 10 days after those moneys are deposited into the Fund as follows:

(1) Sixty percent of all moneys distributed under this subsection shall be distributed to organization licensees to be distributed at their race meetings as purses. Fifty-seven percent of the amount distributed under this paragraph (1) shall be distributed for thoroughbred race meetings and 43% shall be distributed for standardbred race meetings. Within each breed, moneys shall be allocated to each organization licensee's purse fund in accordance with the ratio between the purses generated for that breed by that licensee during the prior calendar year and the total purses generated throughout the State for that breed during the prior calendar year by licensees in the current calendar year.

(2) The remaining 40% of the moneys distributed under this subsection (b) shall be distributed as follows:

(A) 11% shall be distributed to any person (or its successors or assigns) who had operating control of a racetrack that conducted live racing in 2002 at a racetrack in a county with at least 230,000 inhabitants that borders the Mississippi River and is a licensee in the current year; and

(B) the remaining 89% shall be distributed pro rata according to the aggregate proportion of total handle from wagering on live races conducted in Illinois (irrespective of where the wagers are placed) for calendar years 2004 and 2005 to any person (or its successors or assigns) who (i) had majority operating control of a racing facility at which live racing was conducted in calendar year 2002, (ii) is a licensee in the current year, and (iii) is not eligible to receive moneys under subparagraph (A) of this paragraph (2).

The moneys received by an organization licensee under this paragraph (2) shall be used by each organization licensee to improve, maintain, market, and otherwise operate its racing facilities to conduct live racing, which shall include backstretch services and capital improvements related to live racing and the backstretch. Any organization licensees sharing common ownership may pool the moneys received and spent at all racing facilities commonly owned in order to meet these requirements.

If any person identified in this paragraph (2) becomes ineligible to receive moneys from the Fund, such amount shall be redistributed among the remaining persons in proportion to their percentages otherwise calculated.

(c) The Board shall monitor organization licensees to ensure that moneys paid to organization licensees under this Section are distributed by the organization licensees as provided in subsection (b).

(Source: P.A. 95-1008, eff. 12-15-08.)

(230 ILCS 5/56 new)

Sec. 56. Gaming pursuant to an organization gaming license.

(a) A person, firm, corporation, partnership, or limited liability company having operating control of a racetrack may apply to the Gaming Board for an organization gaming license. An organization gaming license shall authorize its holder to conduct gaming on the grounds of the racetrack of which the organization gaming licensee has operating control. Only one organization gaming license may be awarded for any racetrack. A holder of an organization gaming license shall be subject to the Illinois Gambling Act and rules of the Illinois Gaming Board concerning gaming pursuant to an organization gaming license issued under the Illinois Gambling Act. If the person, firm, corporation, or limited liability company having operating control of a racetrack is found by the Illinois Gaming Board to be unsuitable for an organization gaming license under the Illinois Gambling Act and rules of the Gaming Board, that person, firm, corporation, or limited liability company shall not be granted an organization gaming license. Each license shall specify the number of gaming positions that its holder may operate.

An organization gaming licensee may not permit patrons under 21 years of age to be present in its organization gaming facility, but the licensee may accept wagers on live racing and inter-track wagers at its organization gaming facility.

(b) For purposes of this subsection, "adjusted gross receipts" means an organization gaming licensee's gross receipts less winnings paid to wagerers and shall also include any amounts that would otherwise be deducted pursuant to subsection (a-9) of Section 13 of the Illinois Gambling Act. The adjusted gross receipts by an organization gaming licensee from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act remaining after the payment of taxes under Section 13 of the Illinois Gambling Act shall be distributed as follows:

(1) Amounts shall be paid to the purse account at the track at which the organization licensee is conducting racing equal to the following:

12.75% of annual adjusted gross receipts up to and including \$93,000,000;

20% of annual adjusted gross receipts in excess of \$93,000,000 but not exceeding \$100,000,000;

26.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$125,000,000; and

20.5% of annual adjusted gross receipts in excess of \$125,000,000.

If 2 different breeds race at the same racetrack in the same calendar year, the purse moneys allocated under this subsection (b) shall be divided pro rata based on live racing days awarded by the Board to that race track for each breed. However, the ratio may not exceed 60% for either breed, except if one breed is awarded fewer than 20 live racing days, in which case the purse moneys allocated shall be divided pro rata based on live racing days.

(2) The remainder shall be retained by the organization gaming licensee.

(c) Annually, from the purse account of an organization licensee racing thoroughbred horses in this State, except for in Madison County, an amount equal to 12% of the gaming receipts from gaming pursuant to an organization gaming license placed into the purse accounts shall be paid to the Illinois Thoroughbred Breeders Fund and shall be used for owner awards: a stallion program pursuant to paragraph (3) of subsection (g) of Section 30 of this Act; and Illinois conceived and foaled stakes races pursuant to paragraph (2) of subsection (g) of Section 30 of this Act, as specifically designated by the horsemen association representing the largest number of owners and trainers who race at the organization licensee's race meetings.

Annually, from the purse account of an organization licensee racing thoroughbred horses in Madison County, an amount equal to 10% of the gaming receipts from gaming pursuant to an organization gaming license placed into the purse accounts shall be paid to the Illinois Thoroughbred Breeders Fund and shall be used for owner awards: a stallion program pursuant to paragraph (3) of subsection (g) of Section 30 of this Act; and Illinois conceived and foaled stakes races pursuant to paragraph (2) of subsection (g) of Section 30 of this Act, as specifically designated by the horsemen association representing the largest number of owners and trainers who race at the organization licensee's race meetings.

Annually, from the amounts generated for purses from all sources, including, but not limited to, amounts generated from wagering conducted by organization licensees, organization gaming licensees, inter-track wagering licensees, inter-track wagering locations licensees, and advance deposit wagering licensees, or an organization licensee to the purse account of an organization licensee conducting thoroughbred races at a track in Madison County, an amount equal to 10% of adjusted gross receipts as defined in subsection (b) of this Section shall be paid to the horsemen association representing the largest number of owners and trainers who race at the organization licensee's race meets, to be used to for operational expenses and may be also used for after care programs for retired thoroughbred race horses, backstretch laundry and kitchen facilities, a health insurance or retirement program, the Future Farmers of America, and such other programs.

Annually, from the purse account of organization licensees conducting thoroughbred races at racetracks in Cook County, \$100,000 shall be paid for division and equal distribution to the animal sciences department of each Illinois public university system engaged in equine research and education on or before the effective date of this amendatory Act of the 101st General Assembly for equine research and education.

(d) Annually, from the purse account of an organization licensee racing standardbred horses, an amount equal to 15% of the gaming receipts from gaming pursuant to an organization gaming license placed into that purse account shall be paid to the Illinois Standardbred Breeders Fund. Moneys deposited into the Illinois Standardbred Breeders Fund shall be used for standardbred racing as authorized in paragraphs 1, 2, 3, 8, and 9 of subsection (g) of Section 31 of this Act and for bonus awards as authorized under paragraph 6 of subsection (j) of Section 31 of this Act.

Section 35-55. The Riverboat Gambling Act is amended by changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11, 11.1, 12, 13, 14, 15, 17, 17.1, 18, 18.1, 19, 20, and 24 and by adding Sections 5.3, 7.7, 7.8, 7.10, 7.11, 7.12, 7.13, 7.14, and 7.15 as follows:

(230 ILCS 10/1) (from Ch. 120, par. 2401)

Sec. 1. Short title. This Act shall be known and may be cited as the Illinois Riverboat Gambling Act. (Source: P.A. 86-1029.)

(230 ILCS 10/2) (from Ch. 120, par. 2402)

Sec. 2. Legislative Intent.

(a) This Act is intended to benefit the people of the State of Illinois by assisting economic development, ~~and~~ promoting Illinois tourism, ~~and by~~ increasing the amount of revenues available to the State to assist and support education, ~~and to defray State expenses.~~

(b) While authorization of riverboat and casino gambling will enhance investment, beautification, development and tourism in Illinois, it is recognized that it will do so successfully only if public confidence and trust in the credibility and integrity of the gambling operations and the regulatory process is maintained. Therefore, regulatory provisions of this Act are designed to strictly regulate the facilities, persons, associations and practices related to gambling operations pursuant to the police powers of the State, including comprehensive law enforcement supervision.

(c) The Illinois Gaming Board established under this Act should, as soon as possible, inform each applicant for an owners license of the Board's intent to grant or deny a license.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/3) (from Ch. 120, par. 2403)

Sec. 3. Riverboat Gambling Authorized.

(a) Riverboat and casino gambling operations and gaming operations pursuant to an organization gaming license and the system of wagering incorporated therein, as defined in this Act, are hereby authorized to the extent that they are carried out in accordance with the provisions of this Act.

(b) This Act does not apply to the pari-mutuel system of wagering used or intended to be used in connection with the horse-race meetings as authorized under the Illinois Horse Racing Act of 1975, lottery games authorized under the Illinois Lottery Law, bingo authorized under the Bingo License and Tax Act, charitable games authorized under the Charitable Games Act or pull tabs and jar games conducted under the Illinois Pull Tabs and Jar Games Act. This Act applies to gaming by an organization gaming licensee authorized under the Illinois Horse Racing Act of 1975 to the extent provided in that Act and in this Act.

(c) Riverboat gambling conducted pursuant to this Act may be authorized upon any water within the State of Illinois or any water other than Lake Michigan which constitutes a boundary of the State of Illinois. Notwithstanding any provision in this subsection (c) to the contrary, a licensee that receives its license pursuant to subsection (e-5) of Section 7 may conduct riverboat gambling on Lake Michigan from a home dock located on Lake Michigan subject to any limitations contained in Section 7. Notwithstanding any provision in this subsection (c) to the contrary, a licensee may conduct gambling at its home dock facility as provided in Sections 7 and 11. A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of passengers for the purpose of gambling.

(d) Gambling that is conducted in accordance with this Act using slot machines and video games of chance and other electronic gambling games as defined in both this Act and the Illinois Horse Racing Act of 1975 is authorized.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 10/4) (from Ch. 120, par. 2404)

Sec. 4. Definitions. As used in this Act:

(a) "Board" means the Illinois Gaming Board.

(b) "Occupational license" means a license issued by the Board to a person or entity to perform an occupation which the Board has identified as requiring a license to engage in riverboat gambling, casino gambling, or gaming pursuant to an organization gaming license issued under this Act in Illinois.

(c) "Gambling game" includes, but is not limited to, baccarat, twenty-one, poker, craps, slot machine, video game of chance, roulette wheel, klondike table, punchboard, faro layout, keno layout, numbers ticket, push card, jar ticket, or pull tab which is authorized by the Board as a wagering device under this Act.

(d) "Riverboat" means a self-propelled excursion boat, a permanently moored barge, or permanently moored barges that are permanently fixed together to operate as one vessel, on which lawful gambling is authorized and licensed as provided in this Act.

"Slot machine" means any mechanical, electrical, or other device, contrivance, or machine that is authorized by the Board as a wagering device under this Act which, upon insertion of a coin, currency,

token, or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise, tokens, or anything of value whatsoever, whether the payoff is made automatically from the machine or in any other manner whatsoever. A slot machine:

(1) may utilize spinning reels or video displays or both;

(2) may or may not dispense coins, tickets, or tokens to winning patrons;

(3) may use an electronic credit system for receiving wagers and making payouts; and

(4) may simulate a table game.

"Slot machine" does not include table games authorized by the Board as a wagering device under this Act.

(e) "Managers license" means a license issued by the Board to a person or entity to manage gambling operations conducted by the State pursuant to Section 7.3.

(f) "Dock" means the location where a riverboat moors for the purpose of embarking passengers for and disembarking passengers from the riverboat.

(g) "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, or electronic cards by riverboat patrons.

(h) "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.

(i) "Cheat" means to alter the selection of criteria which determine the result of a gambling game or the amount or frequency of payment in a gambling game.

(j) ~~(Blank).~~

(k) "Gambling operation" means the conduct of ~~authorized~~ authorized gambling games authorized under this Act upon a riverboat or in a casino or authorized under this Act and the Illinois Horse Racing Act of 1975 at an organization gaming facility.

(l) "License bid" means the lump sum amount of money that an applicant bids and agrees to pay the State in return for an owners license that is issued or re-issued on or after July 1, 2003.

"Table game" means a live gaming apparatus upon which gaming is conducted or that determines an outcome that is the object of a wager, including, but not limited to, baccarat, twenty-one, blackjack, poker, craps, roulette wheel, klondike table, punchboard, faro layout, keno layout, numbers ticket, push card, jar ticket, pull tab, or other similar games that are authorized by the Board as a wagering device under this Act. "Table game" does not include slot machines or video games of chance.

(m) The terms "minority person", "woman", and "person with a disability" shall have the same meaning as defined in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"Casino" means a facility at which lawful gambling is authorized as provided in this Act.

"Owners license" means a license to conduct riverboat or casino gambling operations, but does not include an organization gaming license.

"Licensed owner" means a person who holds an owners license.

"Organization gaming facility" means that portion of an organization licensee's racetrack facilities at which gaming authorized under Section 7.7 is conducted.

"Organization gaming license" means a license issued by the Illinois Gaming Board under Section 7.7 of this Act authorizing gaming pursuant to that Section at an organization gaming facility.

"Organization gaming licensee" means an entity that holds an organization gaming license.

"Organization licensee" means an entity authorized by the Illinois Racing Board to conduct pari-mutuel wagering in accordance with the Illinois Horse Racing Act of 1975. With respect only to gaming pursuant to an organization gaming license, "organization licensee" includes the authorization for gaming created under subsection (a) of Section 56 of the Illinois Horse Racing Act of 1975.

(Source: P.A. 100-391, eff. 8-25-17.)

(230 ILCS 10/5) (from Ch. 120, par. 2405)

Sec. 5. Gaming Board.

(a) (1) There is hereby established the Illinois Gaming Board, which shall have the powers and duties specified in this Act, and all other powers necessary and proper to fully and effectively execute this Act for the purpose of administering, regulating, and enforcing the system of riverboat and casino gambling established by this Act and gaming pursuant to an organization gaming license issued under this Act. Its jurisdiction shall extend under this Act to every person, association, corporation, partnership and trust involved in riverboat and casino gambling operations and gaming pursuant to an organization gaming license issued under this Act in the State of Illinois.

(2) The Board shall consist of 5 members to be appointed by the Governor with the advice and consent of the Senate, one of whom shall be designated by the Governor to be ~~chairperson~~ chairman. Each member shall have a reasonable knowledge of the practice, procedure and principles of gambling operations. Each

member shall either be a resident of Illinois or shall certify that he or she will become a resident of Illinois before taking office.

On and after the effective date of this amendatory Act of the 101st General Assembly, new appointees to the Board must include the following:

(A) One member who has received, at a minimum, a bachelor's degree from an accredited school and at least 10 years of verifiable experience in the fields of investigation and law enforcement.

(B) One member who is a certified public accountant with experience in auditing and with knowledge of complex corporate structures and transactions.

(C) One member who has 5 years' experience as a principal, senior officer, or director of a company or business with either material responsibility for the daily operations and management of the overall company or business or material responsibility for the policy making of the company or business.

(D) One member who is an attorney licensed to practice law in Illinois for at least 5 years.

Notwithstanding any provision of this subsection (a), the requirements of subparagraphs (A) through (D) of this paragraph (2) shall not apply to any person reappointed pursuant to paragraph (3).

No more than 3 members of the Board may be from the same political party. No Board member shall, within a period of one year immediately preceding nomination, have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. Board members must publicly disclose all prior affiliations with gaming interests, including any compensation, fees, bonuses, salaries, and other reimbursement received from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. This disclosure must be made within 30 days after nomination but prior to confirmation by the Senate and must be made available to the members of the Senate. At least one member shall be experienced in law enforcement and criminal investigation, at least one member shall be a certified public accountant experienced in accounting and auditing, and at least one member shall be a lawyer licensed to practice law in Illinois.

(3) The terms of office of the Board members shall be 3 years, except that the terms of office of the initial Board members appointed pursuant to this Act will commence from the effective date of this Act and run as follows: one for a term ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for a term ending July 1, 1993. Upon the expiration of the foregoing terms, the successors of such members shall serve a term for 3 years and until their successors are appointed and qualified for like terms. Vacancies in the Board shall be filled for the unexpired term in like manner as original appointments. Each member of the Board shall be eligible for reappointment at the discretion of the Governor with the advice and consent of the Senate.

(4) Each member of the Board shall receive \$300 for each day the Board meets and for each day the member conducts any hearing pursuant to this Act. Each member of the Board shall also be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of official duties.

(5) No person shall be appointed a member of the Board or continue to be a member of the Board who is, or whose spouse, child or parent is, a member of the board of directors of, or a person financially interested in, any gambling operation subject to the jurisdiction of this Board, or any race track, race meeting, racing association or the operations thereof subject to the jurisdiction of the Illinois Racing Board. No Board member shall hold any other public office. No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.

(5.5) No member of the Board shall engage in any political activity. For the purposes of this Section, "political" means any activity in support of or in connection with any campaign for federal, State, or local elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.

(6) Any member of the Board may be removed by the Governor for neglect of duty, misfeasance, malfeasance, or nonfeasance in office or for engaging in any political activity.

(7) Before entering upon the discharge of the duties of his office, each member of the Board shall take an oath that he will faithfully execute the duties of his office according to the laws of the State and the rules and regulations adopted therewith and shall give bond to the State of Illinois, approved by the Governor, in the sum of \$25,000. Every such bond, when duly executed and approved, shall be recorded in the office of the Secretary of State. Whenever the Governor determines that the bond of any member of the Board has become or is likely to become invalid or insufficient, he shall require such member forthwith to renew his bond, which is to be approved by the Governor. Any member of the Board who fails to take

oath and give bond within 30 days from the date of his appointment, or who fails to renew his bond within 30 days after it is demanded by the Governor, shall be guilty of neglect of duty and may be removed by the Governor. The cost of any bond given by any member of the Board under this Section shall be taken to be a part of the necessary expenses of the Board.

(7.5) For the examination of all mechanical, electromechanical, or electronic table games, slot machines, slot accounting systems, sports wagering systems, and other electronic gaming equipment, and the field inspection of such systems, games, and machines, for compliance with this Act, the Board ~~shall~~ may utilize the services of ~~one or more~~ independent outside testing laboratories that have been accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement signifying they by a national accreditation body and that, in the judgment of the Board, are qualified to perform such examinations. Notwithstanding any law to the contrary, the Board shall consider the licensing of independent outside testing laboratory applicants in accordance with procedures established by the Board by rule. The Board shall not withhold its approval of an independent outside testing laboratory license applicant that has been accredited as required under this paragraph (7.5) and is licensed in gaming jurisdictions comparable to Illinois. Upon the finalization of required rules, the Board shall license independent testing laboratories and accept the test reports of any licensed testing laboratory of the system's, game's, or machine manufacturer's choice, notwithstanding the existence of contracts between the Board and any independent testing laboratory.

(8) The Board shall employ such personnel as may be necessary to carry out its functions and shall determine the salaries of all personnel, except those personnel whose salaries are determined under the terms of a collective bargaining agreement. No person shall be employed to serve the Board who is, or whose spouse, parent or child is, an official of, or has a financial interest in or financial relation with, any operator engaged in gambling operations within this State or any organization engaged in conducting horse racing within this State. For the one year immediately preceding employment, an employee shall not have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. Any employee violating these prohibitions shall be subject to termination of employment.

(9) An Administrator shall perform any and all duties that the Board shall assign him. The salary of the Administrator shall be determined by the Board and, in addition, he shall be reimbursed for all actual and necessary expenses incurred by him in discharge of his official duties. The Administrator shall keep records of all proceedings of the Board and shall preserve all records, books, documents and other papers belonging to the Board or entrusted to its care. The Administrator shall devote his full time to the duties of the office and shall not hold any other office or employment.

(b) The Board shall have general responsibility for the implementation of this Act. Its duties include, without limitation, the following:

(1) To decide promptly and in reasonable order all license applications. Any party aggrieved by an action of the Board denying, suspending, revoking, restricting or refusing to renew a license may request a hearing before the Board. A request for a hearing must be made to the Board in writing within 5 days after service of notice of the action of the Board. Notice of the action of the Board shall be served either by personal delivery or by certified mail, postage prepaid, to the aggrieved party. Notice served by certified mail shall be deemed complete on the business day following the date of such mailing. The Board shall conduct any such ~~all requested~~ hearings promptly and in reasonable order;

(2) To conduct all hearings pertaining to civil violations of this Act or rules and regulations promulgated hereunder;

(3) To promulgate such rules and regulations as in its judgment may be necessary to protect or enhance the credibility and integrity of gambling operations authorized by this Act and the regulatory process hereunder;

(4) To provide for the establishment and collection of all license and registration fees and taxes imposed by this Act and the rules and regulations issued pursuant hereto. All such fees and taxes shall be deposited into the State Gaming Fund;

(5) To provide for the levy and collection of penalties and fines for the violation of provisions of this Act and the rules and regulations promulgated hereunder. All such fines and penalties shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois;

(6) To be present through its inspectors and agents any time gambling operations are conducted on any riverboat, in any casino, or at any organization gaming facility for the purpose of certifying the revenue thereof, receiving complaints from the public, and conducting such other

investigations into the conduct of the gambling games and the maintenance of the equipment as from time to time the Board may deem necessary and proper;

(7) To review and rule upon any complaint by a licensee regarding any investigative procedures of the State which are unnecessarily disruptive of gambling operations. The need to inspect and investigate shall be presumed at all times. The disruption of a licensee's operations shall be proved by clear and convincing evidence, and establish that: (A) the procedures had no reasonable law enforcement purposes, and (B) the procedures were so disruptive as to unreasonably inhibit gambling operations;

(8) To hold at least one meeting each quarter of the fiscal year. In addition, special meetings may be called by the Chairman or any 2 Board members upon 72 hours written notice to each member. All Board meetings shall be subject to the Open Meetings Act. Three members of the Board shall constitute a quorum, and 3 votes shall be required for any final determination by the Board. The Board shall keep a complete and accurate record of all its meetings. A majority of the members of the Board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power which this Act requires the Board members to transact, perform or exercise en banc, except that, upon order of the Board, one of the Board members or an administrative law judge designated by the Board may conduct any hearing provided for under this Act or by Board rule and may recommend findings and decisions to the Board. The Board member or administrative law judge conducting such hearing shall have all powers and rights granted to the Board in this Act. The record made at the time of the hearing shall be reviewed by the Board, or a majority thereof, and the findings and decision of the majority of the Board shall constitute the order of the Board in such case;

(9) To maintain records which are separate and distinct from the records of any other State board or commission. Such records shall be available for public inspection and shall accurately reflect all Board proceedings;

(10) To file a written annual report with the Governor on or before July 1 each year and such additional reports as the Governor may request. The annual report shall include a statement of receipts and disbursements by the Board, actions taken by the Board, and any additional information and recommendations which the Board may deem valuable or which the Governor may request;

(11) (Blank);

(12) (Blank);

(13) To assume responsibility for administration and enforcement of the Video Gaming Act; and

(13.1) To assume responsibility for the administration and enforcement of operations at organization gaming facilities pursuant to this Act and the Illinois Horse Racing Act of 1975;

(13.2) To assume responsibility for the administration and enforcement of the Sports Wagering Act;
and

(14) To adopt, by rule, a code of conduct governing Board members and employees that ensure, to the maximum extent possible, that persons subject to this Code avoid situations, relationships, or associations that may represent or lead to a conflict of interest.

Internal controls and changes submitted by licensees must be reviewed and either approved or denied with cause within 90 days after receipt of submission is deemed final by the Illinois Gaming Board. In the event an internal control submission or change does not meet the standards set by the Board, staff of the Board must provide technical assistance to the licensee to rectify such deficiencies within 90 days after the initial submission and the revised submission must be reviewed and approved or denied with cause within 90 days after the date the revised submission is deemed final by the Board. For the purposes of this paragraph, "with cause" means that the approval of the submission would jeopardize the integrity of gaming. In the event the Board staff has not acted within the timeframe, the submission shall be deemed approved.

(c) The Board shall have jurisdiction over and shall supervise all gambling operations governed by this Act. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all riverboat gambling operations authorized under this Act in this State and all persons in places on riverboats where gambling operations are conducted.

(3) To promulgate rules and regulations for the purpose of administering the provisions

of this Act and to prescribe rules, regulations and conditions under which all ~~riverboat~~ gambling operations subject to this Act in the State shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of riverboat gambling, including rules and regulations regarding the inspection of organization gaming facilities, casinos, and such riverboats, and the review of any permits or licenses necessary to operate a riverboat, casino, or organization gaming facility under any laws or regulations applicable to riverboats, casinos, or organization gaming facilities and to impose penalties for violations thereof.

(4) To enter the office, riverboats, casinos, organization gaming facilities, and other facilities, or other places of business of a

licensee, where evidence of the compliance or noncompliance with the provisions of this Act is likely to be found.

(5) To investigate alleged violations of this Act or the rules of the Board and to take appropriate disciplinary action against a licensee or a holder of an occupational license for a violation, or institute appropriate legal action for enforcement, or both.

(6) To adopt standards for the licensing of all persons and entities under this Act, as well as for electronic or mechanical gambling games, and to establish fees for such licenses.

(7) To adopt appropriate standards for all organization gaming facilities, riverboats, casinos, and other facilities authorized under this Act.

(8) To require that the records, including financial or other statements of any licensee under this Act, shall be kept in such manner as prescribed by the Board and that any such licensee involved in the ownership or management of gambling operations submit to the Board an annual balance sheet and profit and loss statement, list of the stockholders or other persons having a 1% or greater beneficial interest in the gambling activities of each licensee, and any other information the Board deems necessary in order to effectively administer this Act and all rules, regulations, orders and final decisions promulgated under this Act.

(9) To conduct hearings, issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with the Illinois Administrative Procedure Act, and to administer oaths and affirmations to the witnesses, when, in the judgment of the Board, it is necessary to administer or enforce this Act or the Board rules.

(10) To prescribe a form to be used by any licensee involved in the ownership or management of gambling operations as an application for employment for their employees.

(11) To revoke or suspend licenses, as the Board may see fit and in compliance with applicable laws of the State regarding administrative procedures, and to review applications for the renewal of licenses. The Board may suspend an owners license or an organization gaming license without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing a gambling operation conducted under that license ~~riverboat's operation~~. The suspension may remain in effect until the Board determines that the cause for suspension has been abated. The Board may revoke an ~~the~~ owners license or organization gaming license upon a determination that the licensee owner has not made satisfactory progress toward abating the hazard.

(12) To eject or exclude or authorize the ejection or exclusion of, any person from ~~riverboat~~ gambling facilities where that ~~such~~ person is in violation of this Act, rules and regulations thereunder, or final orders of the Board, or where such person's conduct or reputation is such that his or her presence within the ~~riverboat~~ gambling facilities may, in the opinion of the Board, call into question the honesty and integrity of the gambling operations or interfere with the orderly conduct thereof; provided that the propriety of such ejection or exclusion is subject to subsequent hearing by the Board.

(13) To require all licensees of gambling operations to utilize a cashless wagering system whereby all players' money is converted to tokens, electronic cards, or chips which shall be used only for wagering in the gambling establishment.

(14) (Blank).

(15) To suspend, revoke or restrict licenses, to require the removal of a licensee or an employee of a licensee for a violation of this Act or a Board rule or for engaging in a fraudulent practice, and to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 or an amount equal to the daily gross receipts, whichever is larger, against licensees for each violation of any provision of the Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to ~~riverboat~~ gambling operations.

(16) To hire employees to gather information, conduct investigations and carry out any other tasks contemplated under this Act.

(17) To establish minimum levels of insurance to be maintained by licensees.

(18) To authorize a licensee to sell or serve alcoholic liquors, wine or beer as defined

in the Liquor Control Act of 1934 on board a riverboat or in a casino and to have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino, notwithstanding any provision of the Liquor Control Act of 1934 or any local ordinance, and regardless of whether the riverboat makes excursions. The establishment of the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino is an exclusive power and function of the State. A home rule unit may not establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino. This subdivision (18) amendatory Act of 1991 is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(19) After consultation with the U.S. Army Corps of Engineers, to establish binding emergency orders upon the concurrence of a majority of the members of the Board regarding the navigability of water, relative to excursions, in the event of extreme weather conditions, acts of God or other extreme circumstances.

(20) To delegate the execution of any of its powers under this Act for the purpose of administering and enforcing this Act and the its rules adopted by the Board and regulations hereunder.

(20.5) To approve any contract entered into on its behalf.

(20.6) To appoint investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act, as deemed necessary by the Board. These investigators have and may exercise all of the rights and powers of peace officers, provided that these powers shall be limited to offenses or violations occurring or committed in a casino, in an organization gaming facility, or on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise provided by this Act or any other law.

(20.7) To contract with the Department of State Police for the use of trained and qualified State police officers and with the Department of Revenue for the use of trained and qualified Department of Revenue investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and to exercise all of the rights and powers of peace officers, provided that the powers of Department of Revenue investigators under this subdivision (20.7) shall be limited to offenses or violations occurring or committed in a casino, in an organization gaming facility, or on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise provided by this Act or any other law. In the event the Department of State Police or the Department of Revenue is unable to fill contracted police or investigative positions, the Board may appoint investigators to fill those positions pursuant to subdivision (20.6).

(21) To adopt rules concerning the conduct of gaming pursuant to an organization gaming license issued under this Act.

(22) To have the same jurisdiction and supervision over casinos and organization gaming facilities as the Board has over riverboats, including, but not limited to, the power to (i) investigate, review, and approve contracts as that power is applied to riverboats, (ii) adopt rules for administering the provisions of this Act, (iii) adopt standards for the licensing of all persons involved with a casino or organization gaming facility, (iv) investigate alleged violations of this Act by any person involved with a casino or organization gaming facility, and (v) require that records, including financial or other statements of any casino or organization gaming facility, shall be kept in such manner as prescribed by the Board.

(23) ~~(21)~~ To take any other action as may be reasonable or appropriate to enforce this Act and the rules adopted by the Board and regulations hereunder.

(d) The Board may seek and shall receive the cooperation of the Department of State Police in conducting background investigations of applicants and in fulfilling its responsibilities under this Section. Costs incurred by the Department of State Police as a result of such cooperation shall be paid by the Board in conformance with the requirements of Section 2605-400 of the Department of State Police Law ~~(20 ILCS 2605/2605-400)~~.

(e) The Board must authorize to each investigator and to any other employee of the Board exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Board and (ii) contains a unique identifying number. No other badge shall be authorized by the Board.

(Source: P.A. 100-1152, eff. 12-14-18.)

(230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

Sec. 5.1. Disclosure of records.

(a) Notwithstanding any applicable statutory provision to the contrary, the Board shall, on written request from any person, provide information furnished by an applicant or licensee concerning the applicant or licensee, his products, services or gambling enterprises and his business holdings, as follows:

(1) The name, business address and business telephone number of any applicant or licensee.

(2) An identification of any applicant or licensee including, if an applicant or licensee is not an individual, the names and addresses of all stockholders and directors, if the entity is a corporation; the names and addresses of all members, if the entity is a limited liability company; the names and addresses of all partners, both general and limited, if the entity is a partnership; and the names and addresses of all beneficiaries, if the entity is a trust ~~the state of incorporation or registration, the corporate officers, and the identity of all shareholders or participants.~~ If an applicant or licensee has a pending registration statement filed with the Securities and Exchange Commission, only the names of those persons or entities holding interest of 5% or more must be provided.

(3) An identification of any business, including, if applicable, the state of incorporation or registration, in which an applicant or licensee or an applicant's or licensee's spouse or children has an equity interest of more than 1%. If an applicant or licensee is a corporation, partnership or other business entity, the applicant or licensee shall identify any other corporation, partnership or business entity in which it has an equity interest of 1% or more, including, if applicable, the state of incorporation or registration. This information need not be provided by a corporation, partnership or other business entity that has a pending registration statement filed with the Securities and Exchange Commission.

(4) Whether an applicant or licensee has been indicted, convicted, pleaded guilty or nolo contendere, or forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or misdemeanor (except for traffic violations), including the date, the name and location of the court, arresting agency and prosecuting agency, the case number, the offense, the disposition and the location and length of incarceration.

(5) Whether an applicant or licensee has had any license or certificate issued by a licensing authority in Illinois or any other jurisdiction denied, restricted, suspended, revoked or not renewed and a statement describing the facts and circumstances concerning the denial, restriction, suspension, revocation or non-renewal, including the licensing authority, the date each such action was taken, and the reason for each such action.

(6) Whether an applicant or licensee has ever filed or had filed against it a proceeding in bankruptcy or has ever been involved in any formal process to adjust, defer, suspend or otherwise work out the payment of any debt including the date of filing, the name and location of the court, the case and number of the disposition.

(7) Whether an applicant or licensee has filed, or been served with a complaint or other notice filed with any public body, regarding the delinquency in the payment of, or a dispute over the filings concerning the payment of, any tax required under federal, State or local law, including the amount, type of tax, the taxing agency and time periods involved.

(8) A statement listing the names and titles of all public officials or officers of any unit of government, and relatives of said public officials or officers who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with, an applicant or licensee.

(9) Whether an applicant or licensee has made, directly or indirectly, any political contribution, or any loans, donations or other payments, to any candidate or office holder, within 5 years from the date of filing the application, including the amount and the method of payment.

(10) The name and business telephone number of the counsel representing an applicant or licensee in matters before the Board.

(11) A description of any proposed or approved gambling riverboat gaming operation, including the type of boat, home dock, or casino or gaming location, expected economic benefit to the community, anticipated or actual number of employees, any statement from an applicant or licensee regarding compliance with federal and State affirmative action guidelines, projected or actual admissions and projected or actual adjusted gross gaming receipts.

(12) A description of the product or service to be supplied by an applicant for a supplier's license.

(b) Notwithstanding any applicable statutory provision to the contrary, the Board shall, on written request from any person, also provide the following information:

(1) The amount of the wagering tax and admission tax paid daily to the State of Illinois by the holder of an owner's license.

(2) Whenever the Board finds an applicant for an owner's license unsuitable for licensing, a copy of the written letter outlining the reasons for the denial.

(3) Whenever the Board has refused to grant leave for an applicant to withdraw his

application, a copy of the letter outlining the reasons for the refusal.

(c) Subject to the above provisions, the Board shall not disclose any information which would be barred by:

- (1) Section 7 of the Freedom of Information Act; or
- (2) The statutes, rules, regulations or intergovernmental agreements of any jurisdiction.

(d) The Board may assess fees for the copying of information in accordance with Section 6 of the Freedom of Information Act.

(Source: P.A. 96-1392, eff. 1-1-11.)

(230 ILCS 10/5.3 new)

Sec. 5.3. Ethical conduct.

(a) Officials and employees of the corporate authority of a host community must carry out their duties and responsibilities in such a manner as to promote and preserve public trust and confidence in the integrity and conduct of gaming.

(b) Officials and employees of the corporate authority of a host community shall not use or attempt to use his or her official position to secure or attempt to secure any privilege, advantage, favor, or influence for himself or herself or others.

(c) Officials and employees of the corporate authority of a host community may not have a financial interest, directly or indirectly, in his or her own name or in the name of any other person, partnership, association, trust, corporation, or other entity in any contract or subcontract for the performance of any work for a riverboat or casino that is located in the host community. This prohibition shall extend to the holding or acquisition of an interest in any entity identified by Board action that, in the Board's judgment, could represent the potential for or the appearance of a financial interest. The holding or acquisition of an interest in such entities through an indirect means, such as through a mutual fund, shall not be prohibited, except that the Board may identify specific investments or funds that, in its judgment, are so influenced by gaming holdings as to represent the potential for or the appearance of a conflict of interest.

(d) Officials and employees of the corporate authority of a host community may not accept any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, or entity doing business with the riverboat or casino that is located in the host community.

(e) Officials and employees of the corporate authority of a host community shall not, during the period that the person is an official or employee of the corporate authority or for a period of 2 years immediately after leaving such office, knowingly accept employment or receive compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the riverboat or casino that is located in the host community that resulted in contracts with an aggregate value of at least \$25,000 or if that official or employee has made a decision that directly applied to the person or entity, or its parent or affiliate.

(f) A spouse, child, or parent of an official or employee of the corporate authority of a host community may not have a financial interest, directly or indirectly, in his or her own name or in the name of any other person, partnership, association, trust, corporation, or other entity in any contract or subcontract for the performance of any work for a riverboat or casino in the host community. This prohibition shall extend to the holding or acquisition of an interest in any entity identified by Board action that, in the judgment of the Board, could represent the potential for or the appearance of a conflict of interest. The holding or acquisition of an interest in such entities through an indirect means, such as through a mutual fund, shall not be prohibited, except that the Board may identify specific investments or funds that, in its judgment, are so influenced by gaming holdings as to represent the potential for or the appearance of a conflict of interest.

(g) A spouse, child, or parent of an official or employee of the corporate authority of a host community may not accept any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, or entity doing business with the riverboat or casino that is located in the host community.

(h) A spouse, child, or parent of an official or employee of the corporate authority of a host community may not, during the period that the person is an official of the corporate authority or for a period of 2 years immediately after leaving such office or employment, knowingly accept employment or receive compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the riverboat or casino that is located in the host community that resulted in contracts with an aggregate value of at least \$25,000 or if that official or employee has made a decision that directly applied to the person or entity, or its parent or affiliate.

(i) Officials and employees of the corporate authority of a host community shall not attempt, in any way, to influence any person or entity doing business with the riverboat or casino that is located in the host community or any officer, agent, or employee thereof to hire or contract with any person or entity for any compensated work.

(j) Any communication between an official of the corporate authority of a host community and any applicant for an owners license in the host community, or an officer, director, or employee of a riverboat or casino in the host community, concerning any matter relating in any way to gaming shall be disclosed to the Board. Such disclosure shall be in writing by the official within 30 days after the communication and shall be filed with the Board. Disclosure must consist of the date of the communication, the identity and job title of the person with whom the communication was made, a brief summary of the communication, the action requested or recommended, all responses made, the identity and job title of the person making the response, and any other pertinent information. Public disclosure of the written summary provided to the Board and the Gaming Board shall be subject to the exemptions provided under the Freedom of Information Act.

This subsection (j) shall not apply to communications regarding traffic, law enforcement, security, environmental issues, city services, transportation, or other routine matters concerning the ordinary operations of the riverboat or casino. For purposes of this subsection (j), "ordinary operations" means operations relating to the casino or riverboat facility other than the conduct of gambling activities, and "routine matters" includes the application for, issuance of, renewal of, and other processes associated with municipal permits and licenses.

(k) Any official or employee who violates any provision of this Section is guilty of a Class 4 felony.

(l) For purposes of this Section, "host community" or "host municipality" means a unit of local government that contains a riverboat or casino within its borders.

(230 ILCS 10/6) (from Ch. 120, par. 2406)

Sec. 6. Application for Owners License.

(a) A qualified person may apply to the Board for an owners license to conduct a riverboat gambling operation as provided in this Act. The application shall be made on forms provided by the Board and shall contain such information as the Board prescribes, including but not limited to the identity of the riverboat on which such gambling operation is to be conducted, if applicable, and the exact location where such riverboat or casino will be located docked, a certification that the riverboat will be registered under this Act at all times during which gambling operations are conducted on board, detailed information regarding the ownership and management of the applicant, and detailed personal information regarding the applicant. Any application for an owners license to be re-issued on or after June 1, 2003 shall also include the applicant's license bid in a form prescribed by the Board. Information provided on the application shall be used as a basis for a thorough background investigation which the Board shall conduct with respect to each applicant. An incomplete application shall be cause for denial of a license by the Board.

(a-5) In addition to any other information required under this Section, each application for an owners license must include the following information:

(1) The history and success of the applicant and each person and entity disclosed under subsection (c) of this Section in developing tourism facilities ancillary to gaming, if applicable.

(2) The likelihood that granting a license to the applicant will lead to the creation of quality, living wage jobs and permanent, full-time jobs for residents of the State and residents of the unit of local government that is designated as the home dock of the proposed facility where gambling is to be conducted by the applicant.

(3) The projected number of jobs that would be created if the license is granted and the projected number of new employees at the proposed facility where gambling is to be conducted by the applicant.

(4) The record, if any, of the applicant and its developer in meeting commitments to local agencies, community-based organizations, and employees at other locations where the applicant or its developer has performed similar functions as they would perform if the applicant were granted a license.

(5) Identification of adverse effects that might be caused by the proposed facility where gambling is to be conducted by the applicant, including the costs of meeting increased demand for public health care, child care, public transportation, affordable housing, and social services, and a plan to mitigate those adverse effects.

(6) The record, if any, of the applicant and its developer regarding compliance with:

(A) federal, state, and local discrimination, wage and hour, disability, and occupational and environmental health and safety laws; and

(B) state and local labor relations and employment laws.

(7) The applicant's record, if any, in dealing with its employees and their representatives at other locations.

(8) A plan concerning the utilization of minority-owned and women-owned businesses and concerning the hiring of minorities and women.

(9) Evidence the applicant used its best efforts to reach a goal of 25% ownership representation by minority persons and 5% ownership representation by women.

(b) Applicants shall submit with their application all documents, resolutions, and letters of support from the governing body that represents the municipality or county wherein the licensee will be located ~~deck~~.

(c) Each applicant shall disclose the identity of every person or entity, ~~association, trust or corporation~~ having a greater than 1% direct or indirect pecuniary interest in the ~~riverboat~~ gambling operation with respect to which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of all the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited.

(d) An application shall be filed and considered in accordance with the rules of the Board. Each application shall be accompanied by a nonrefundable An application fee of \$250,000. In addition, a nonrefundable fee of \$50,000 shall be paid at the time of filing to defray the costs associated with the background investigation conducted by the Board. If the costs of the investigation exceed \$50,000, the applicant shall pay the additional amount to the Board within 7 days after requested by the Board. If the costs of the investigation are less than \$50,000, the applicant shall receive a refund of the remaining amount. All information, records, interviews, reports, statements, memoranda or other data supplied to or used by the Board in the course of its review or investigation of an application for a license or a renewal under this Act shall be privileged, strictly confidential and shall be used only for the purpose of evaluating an applicant for a license or a renewal. Such information, records, interviews, reports, statements, memoranda or other data shall not be admissible as evidence, nor discoverable in any action of any kind in any court or before any tribunal, board, agency or person, except for any action deemed necessary by the Board. The application fee shall be deposited into the State Gaming Fund.

(e) The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund. In order to expedite the application process, the Board may establish rules allowing applicants to acquire criminal background checks and financial integrity reviews as part of the initial application process from a list of vendors approved by the Board.

(f) The licensed owner shall be the person primarily responsible for the boat or casino itself. Only one ~~riverboat~~ gambling operation may be authorized by the Board on any riverboat or in any casino. The applicant must identify the each riverboat or premises it intends to use and certify that the riverboat or premises: (1) has the authorized capacity required in this Act; (2) is accessible to persons with disabilities; and (3) is fully registered and licensed in accordance with any applicable laws.

(g) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

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

(230 ILCS 10/7) (from Ch. 120, par. 2407)

Sec. 7. Owners licenses.

(a) The Board shall issue owners licenses to persons or entities ~~that , firms or corporations which~~ apply for such licenses upon payment to the Board of the non-refundable license fee as provided in subsection (e) or (c-5) set by the Board, upon payment of a \$25,000 license fee for the first year of operation and a \$5,000 license fee for each succeeding year and upon a determination by the Board that the applicant is eligible for an owners license pursuant to this Act and the rules of the Board. From the effective date of this amendatory Act of the 95th General Assembly until (i) 3 years after the effective date of this amendatory Act of the 95th General Assembly, (ii) the date any organization licensee begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, (iii) the date that payments begin under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the wagering tax imposed under Section 13 of this Act is increased by law to reflect a tax rate that is at least as stringent or more stringent than the tax rate contained in subsection (a-3) of Section 13, or (v) when an owners licensee holding a license issued pursuant to Section 7.1 of this Act begins conducting gaming, whichever occurs first, as a condition of licensure and as an alternative source of payment for those funds payable under subsection (c-5) of Section 13 of this the Riverboat Gambling Act, any owners licensee that holds or receives its owners license on or after the effective date of this amendatory Act of the 94th General Assembly, other than an owners licensee operating a riverboat with adjusted gross receipts in calendar year 2004 of less than \$200,000,000, must pay into the Horse Racing Equity Trust Fund, in addition to any other payments required under this Act, an amount equal to 3% of the adjusted gross receipts received by the owners licensee. The payments required under this Section shall be made by the owners licensee to

the State Treasurer no later than 3:00 o'clock p.m. of the day after the day when the adjusted gross receipts were received by the owners licensee. A person, ~~firm or~~ entity corporation is ineligible to receive an owners license if:

- (1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;
- (2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;
- (3) the person has submitted an application for a license under this Act which contains false information;
- (4) the person is a member of the Board;
- (5) a person defined in (1), (2), (3) or (4) is an officer, director or managerial employee of the entity firm or corporation;
- (6) the entity firm or corporation employs a person defined in (1), (2), (3) or (4) who participates in the management or operation of gambling operations authorized under this Act;
- (7) (blank); or
- (8) a license of the person or entity , ~~firm or corporation~~ issued under this Act, or a license to own or operate gambling facilities in any other jurisdiction, has been revoked.

The Board is expressly prohibited from making changes to the requirement that licensees make payment into the Horse Racing Equity Trust Fund without the express authority of the Illinois General Assembly and making any other rule to implement or interpret this amendatory Act of the 95th General Assembly. For the purposes of this paragraph, "rules" is given the meaning given to that term in Section 1-70 of the Illinois Administrative Procedure Act.

(b) In determining whether to grant an owners license to an applicant, the Board shall consider:

- (1) the character, reputation, experience and financial integrity of the applicants and of any other or separate person that either:
 - (A) controls, directly or indirectly, such applicant, or
 - (B) is controlled, directly or indirectly, by such applicant or by a person which controls, directly or indirectly, such applicant;
- (2) the facilities or proposed facilities for the conduct of ~~riverboat~~ gambling;
- (3) the highest prospective total revenue to be derived by the State from the conduct of ~~riverboat~~ gambling;
- (4) the extent to which the ownership of the applicant reflects the diversity of the State by including minority persons, women, and persons with a disability and the good faith affirmative action plan of each applicant to recruit, train and upgrade minority persons, women, and persons with a disability in all employment classifications; the Board shall further consider granting an owners license and giving preference to an applicant under this Section to applicants in which minority persons and women hold ownership interest of at least 16% and 4%, respectively.
- (4.5) the extent to which the ownership of the applicant includes veterans of service in the armed forces of the United States, and the good faith affirmative action plan of each applicant to recruit, train, and upgrade veterans of service in the armed forces of the United States in all employment classifications;
- (5) the financial ability of the applicant to purchase and maintain adequate liability and casualty insurance;
- (6) whether the applicant has adequate capitalization to provide and maintain, for the duration of a license, a riverboat or casino;
- (7) the extent to which the applicant exceeds or meets other standards for the issuance of an owners license which the Board may adopt by rule; ~~and~~
- (8) ~~the~~ The amount of the applicant's license bid ; -
- (9) the extent to which the applicant or the proposed host municipality plans to enter into revenue sharing agreements with communities other than the host municipality; and
- (10) the extent to which the ownership of an applicant includes the most qualified number of minority persons, women, and persons with a disability.

(c) Each owners license shall specify the place where the casino riverboats shall operate or the riverboat shall operate and dock.

(d) Each applicant shall submit with his application, on forms provided by the Board, 2 sets of his fingerprints.

(e) In addition to any licenses authorized under subsection (e-5) of this Section, the Board may issue up to 10 licenses authorizing the holders of such licenses to own riverboats. In the application for an owners license, the applicant shall state the dock at which the riverboat is based and the water on which the riverboat will be located. The Board shall issue 5 licenses to become effective not earlier than January 1, 1991. Three of such licenses shall authorize riverboat gambling on the Mississippi River, or, with approval by the municipality in which the riverboat was docked on August 7, 2003 and with Board approval, be authorized to relocate to a new location, in a municipality that (1) borders on the Mississippi River or is within 5 miles of the city limits of a municipality that borders on the Mississippi River and (2), on August 7, 2003, had a riverboat conducting riverboat gambling operations pursuant to a license issued under this Act; one of which shall authorize riverboat gambling from a home dock in the city of East St. Louis ; and one of which shall authorize riverboat gambling from a home dock in the City of Alton. One other license shall authorize riverboat gambling on the Illinois River in the City of East Peoria or, with Board approval, shall authorize land-based gambling operations anywhere within the corporate limits of the City of Peoria south of Marshall County. The Board shall issue one additional license to become effective not earlier than March 1, 1992, which shall authorize riverboat gambling on the Des Plaines River in Will County. The Board may issue 4 additional licenses to become effective not earlier than March 1, 1992. In determining the water upon which riverboats will operate, the Board shall consider the economic benefit which riverboat gambling confers on the State, and shall seek to assure that all regions of the State share in the economic benefits of riverboat gambling.

In granting all licenses, the Board may give favorable consideration to economically depressed areas of the State, to applicants presenting plans which provide for significant economic development over a large geographic area, and to applicants who currently operate non-gambling riverboats in Illinois. The Board shall review all applications for owners licenses, and shall inform each applicant of the Board's decision. The Board may grant an owners license to an applicant that has not submitted the highest license bid, but if it does not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected and identifying the factors set forth in this Section that favored the winning bidder. The fee for issuance or renewal of a license pursuant to this subsection (e) shall be \$250,000.

(e-5) In addition to licenses authorized under subsection (e) of this Section:

(1) the Board shall issue one owners license authorizing the conduct of casino gambling in the City of Chicago;

(2) the Board may issue one owners license authorizing the conduct of riverboat gambling in the City of Danville;

(3) the Board may issue one owners license authorizing the conduct of riverboat gambling located in the City of Waukegan;

(4) the Board may issue one owners license authorizing the conduct of riverboat gambling in the City of Rockford;

(5) the Board may issue one owners license authorizing the conduct of riverboat gambling in a municipality that is wholly or partially located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township; and

(6) the Board may issue one owners license authorizing the conduct of riverboat gambling in the unincorporated area of Williamson County adjacent to the Big Muddy River.

Except for the license authorized under paragraph (1), each application for a license pursuant to this subsection (e-5) shall be submitted to the Board no later than 120 days after the effective date of this amendatory Act of the 101st General Assembly. All applications for a license under this subsection (e-5) shall include the nonrefundable application fee and the nonrefundable background investigation fee as provided in subsection (d) of Section 6 of this Act. In the event that an applicant submits an application for a license pursuant to this subsection (e-5) prior to the effective date of this amendatory Act of the 101st General Assembly, such applicant shall submit the nonrefundable application fee and background investigation fee as provided in subsection (d) of Section 6 of this Act no later than 6 months after the effective date of this amendatory Act of the 101st General Assembly.

The Board shall consider issuing a license pursuant to paragraphs (1) through (6) of this subsection only after the corporate authority of the municipality or the county board of the county in which the riverboat or casino shall be located has certified to the Board the following:

(i) that the applicant has negotiated with the corporate authority or county board in good faith;

(ii) that the applicant and the corporate authority or county board have mutually agreed on the permanent location of the riverboat or casino;

(iii) that the applicant and the corporate authority or county board have mutually agreed on the temporary location of the riverboat or casino;

(iv) that the applicant and the corporate authority or the county board have mutually agreed on the percentage of revenues that will be shared with the municipality or county, if any;

(v) that the applicant and the corporate authority or county board have mutually agreed on any zoning, licensing, public health, or other issues that are within the jurisdiction of the municipality or county; and

(vi) that the corporate authority or county board has passed a resolution or ordinance in support of the riverboat or casino in the municipality or county.

At least 7 days before the corporate authority of a municipality or county board of the county submits a certification to the Board concerning items (i) through (vi) of this subsection, it shall hold a public hearing to discuss items (i) through (vi), as well as any other details concerning the proposed riverboat or casino in the municipality or county. The corporate authority or county board must subsequently memorialize the details concerning the proposed riverboat or casino in a resolution that must be adopted by a majority of the corporate authority or county board before any certification is sent to the Board. The Board shall not alter, amend, change, or otherwise interfere with any agreement between the applicant and the corporate authority of the municipality or county board of the county regarding the location of any temporary or permanent facility.

In addition, within 30 days after the effective date of this amendatory Act of the 101st General Assembly, the Board, with consent and at the expense of the City of Chicago, shall select and retain the services of a nationally recognized casino gaming feasibility consultant. Within 150 days after the effective date of this amendatory Act of the 101st General Assembly, the consultant shall prepare and deliver to the Board a study concerning the feasibility of, and the ability to finance, a casino in the City of Chicago. The feasibility study shall be delivered to the Mayor of the City of Chicago, the Governor, the President of the Senate, and the Speaker of the House of Representatives. Ninety days after receipt of the feasibility study, the Board shall make a determination, based on the results of the feasibility study, whether to issue a license under paragraph (1) of this subsection (e-5). The Board may begin accepting applications for the owners license under paragraph (1) of this subsection (e-5) upon the determination to issue such an owners license.

In addition, prior to the Board issuing the owners license authorized under paragraph (4) of subsection (e-5), an impact study shall be completed to determine what location in the city will provide the greater impact to the region, including the creation of jobs and the generation of tax revenue.

(e-10) The licenses authorized under subsection (e-5) of this Section shall be issued within 12 months after the date the license application is submitted. If the Board does not issue the licenses within that time period, then the Board shall give a written explanation to the applicant as to why it has not reached a determination and when it reasonably expects to make a determination. The fee for the issuance or renewal of a license issued pursuant to this subsection (e-10) shall be \$250,000. Additionally, a licensee located outside of Cook County shall pay a minimum initial fee of \$17,500 per gaming position, and a licensee located in Cook County shall pay a minimum initial fee of \$30,000 per gaming position. The initial fees payable under this subsection (e-10) shall be deposited into the Rebuild Illinois Projects Fund.

(e-15) Each licensee of a license authorized under subsection (e-5) of this Section shall make a reconciliation payment 3 years after the date the licensee begins operating in an amount equal to 75% of the adjusted gross receipts for the most lucrative 12-month period of operations, minus an amount equal to the initial payment per gaming position paid by the specific licensee. Each licensee shall pay a \$15,000,000 reconciliation fee upon issuance of an owners license. If this calculation results in a negative amount, then the licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board. All payments by licensees under this subsection (e-15) shall be deposited into the Rebuild Illinois Projects Fund.

(e-20) In addition to any other revocation powers granted to the Board under this Act, the Board may revoke the owners license of a licensee which fails to begin conducting gambling within 15 months of receipt of the Board's approval of the application if the Board determines that license revocation is in the best interests of the State.

(f) The first 10 owners licenses issued under this Act shall permit the holder to own up to 2 riverboats and equipment thereon for a period of 3 years after the effective date of the license. Holders of the first 10 owners licenses must pay the annual license fee for each of the 3 years during which they are authorized to own riverboats.

(g) Upon the termination, expiration, or revocation of each of the first 10 licenses, which shall be issued for a 3 year period, all licenses are renewable annually upon payment of the fee and a determination by the Board that the licensee continues to meet all of the requirements of this Act and the Board's rules.

However, for licenses renewed on or after May 1, 1998, renewal shall be for a period of 4 years, unless the Board sets a shorter period.

(h) An owners license, except for an owners license issued under subsection (e-5) of this Section, shall entitle the licensee to own up to 2 riverboats.

An owners licensee of a casino or riverboat that is located in the City of Chicago pursuant to paragraph (1) of subsection (e-5) of this Section shall limit the number of gaming positions to 4,000 for such owner. An owners licensee authorized under subsection (e) or paragraph (2), (3), (4), or (5) of subsection (e-5) of this Section shall limit the number of gaming positions to 2,000 for any such owners license. An owners licensee authorized under paragraph (6) of subsection (e-5) of this Section shall limit the number of gaming positions to 1,200 for any such owner. The initial fee for each gaming position obtained on or after the effective date of this amendatory Act of the 101st General Assembly shall be a minimum of \$17,500 for licensees not located in Cook County and a minimum of \$30,000 for licensees located in Cook County, in addition to the reconciliation payment, as set forth in subsection (e-15) of this Section owners license. The fees under this subsection (h) shall be deposited into the Rebuild Illinois Projects Fund. The fees under this subsection (h) that are paid by an owners licensee authorized under subsection (e) shall be paid by July 1, 2020.

Each owners licensee under subsection (e) of this Section shall reserve its gaming positions within 30 days after the effective date of this amendatory Act of the 101st General Assembly. The Board may grant an extension to this 30-day period, provided that the owners licensee submits a written request and explanation as to why it is unable to reserve its positions within the 30-day period.

Each owners licensee under subsection (e-5) of this Section shall reserve its gaming positions within 30 days after issuance of its owners license. The Board may grant an extension to this 30-day period, provided that the owners licensee submits a written request and explanation as to why it is unable to reserve its positions within the 30-day period.

A licensee may operate both of its riverboats concurrently, provided that the total number of gaming positions gambling participants on both riverboats does not exceed the limit established pursuant to this subsection 4,200. Riverboats licensed to operate on the Mississippi River and the Illinois River south of Marshall County shall have an authorized capacity of at least 500 persons. Any other riverboat licensed under this Act shall have an authorized capacity of at least 400 persons.

(h-5) An owners licensee who conducted gambling operations prior to January 1, 2012 and obtains positions pursuant to this amendatory Act of the 101st General Assembly shall make a reconciliation payment 3 years after any additional gaming positions begin operating in an amount equal to 75% of the owners licensee's average gross receipts for the most lucrative 12-month period of operations minus an amount equal to the initial fee that the owners licensee paid per additional gaming position. For purposes of this subsection (h-5), "average gross receipts" means (i) the increase in adjusted gross receipts for the most lucrative 12-month period of operations over the adjusted gross receipts for 2019, multiplied by (ii) the percentage derived by dividing the number of additional gaming positions that an owners licensee had obtained by the total number of gaming positions operated by the owners licensee. If this calculation results in a negative amount, then the owners licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board. These reconciliation payments shall be deposited into the Rebuild Illinois Projects Fund.

(i) A licensed owner is authorized to apply to the Board for and, if approved therefor, to receive all licenses from the Board necessary for the operation of a riverboat or casino, including a liquor license, a license to prepare and serve food for human consumption, and other necessary licenses. All use, occupation and excise taxes which apply to the sale of food and beverages in this State and all taxes imposed on the sale or use of tangible personal property apply to such sales aboard the riverboat or in the casino.

(j) The Board may issue or re-issue a license authorizing a riverboat to dock in a municipality or approve a relocation under Section 11.2 only if, prior to the issuance or re-issuance of the license or approval, the governing body of the municipality in which the riverboat will dock has by a majority vote approved the docking of riverboats in the municipality. The Board may issue or re-issue a license authorizing a riverboat to dock in areas of a county outside any municipality or approve a relocation under Section 11.2 only if, prior to the issuance or re-issuance of the license or approval, the governing body of the county has by a majority vote approved of the docking of riverboats within such areas.

(k) An owners licensee may conduct land-based gambling operations upon approval by the Board and payment of a fee of \$250,000, which shall be deposited into the State Gaming Fund.

(l) An owners licensee may conduct gaming at a temporary facility pending the construction of a permanent facility or the remodeling or relocation of an existing facility to accommodate gaming

participants for up to 24 months after the temporary facility begins to conduct gaming. Upon request by an owners licensee and upon a showing of good cause by the owners licensee, the Board shall extend the period during which the licensee may conduct gaming at a temporary facility by up to 12 months. The Board shall make rules concerning the conduct of gaming from temporary facilities.

(Source: P.A. 100-391, eff. 8-25-17; 100-1152, eff. 12-14-18.)

(230 ILCS 10/7.3)

Sec. 7.3. State conduct of gambling operations.

(a) If, after reviewing each application for a re-issued license, the Board determines that the highest prospective total revenue to the State would be derived from State conduct of the gambling operation in lieu of re-issuing the license, the Board shall inform each applicant of its decision. The Board shall thereafter have the authority, without obtaining an owners license, to conduct casino or riverboat gambling operations as previously authorized by the terminated, expired, revoked, or nonrenewed license through a licensed manager selected pursuant to an open and competitive bidding process as set forth in Section 7.5 and as provided in Section 7.4.

(b) The Board may locate any casino or riverboat on which a gambling operation is conducted by the State in any home dock or other location authorized by Section 3(c) upon receipt of approval from a majority vote of the governing body of the municipality or county, as the case may be, in which the riverboat will dock.

(c) The Board shall have jurisdiction over and shall supervise all gambling operations conducted by the State provided for in this Act and shall have all powers necessary and proper to fully and effectively execute the provisions of this Act relating to gambling operations conducted by the State.

(d) The maximum number of owners licenses authorized under Section 7.7(e) shall be reduced by one for each instance in which the Board authorizes the State to conduct a casino or riverboat gambling operation under subsection (a) in lieu of re-issuing a license to an applicant under Section 7.1.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7.5)

Sec. 7.5. Competitive Bidding. When the Board determines that (i) it will re-issue an owners license pursuant to an open and competitive bidding process, as set forth in Section 7.1, (ii) ~~or that it will issue a managers license pursuant to an open and competitive bidding process, as set forth in Section 7.4, or (iii) it will issue an owners license pursuant to an open and competitive bidding process, as set forth in Section 7.12,~~ the open and competitive bidding process shall adhere to the following procedures:

(1) The Board shall make applications for owners and managers licenses available to the public and allow a reasonable time for applicants to submit applications to the Board.

(2) During the filing period for owners or managers license applications, the Board may retain the services of an investment banking firm to assist the Board in conducting the open and competitive bidding process.

(3) After receiving all of the bid proposals, the Board shall open all of the proposals in a public forum and disclose the prospective owners or managers names, venture partners, if any, and, in the case of applicants for owners licenses, the locations of the proposed development sites.

(4) The Board shall summarize the terms of the proposals and may make this summary available to the public.

(5) The Board shall evaluate the proposals within a reasonable time and select no more than 3 final applicants to make presentations of their proposals to the Board.

(6) The final applicants shall make their presentations to the Board on the same day during an open session of the Board.

(7) As soon as practicable after the public presentations by the final applicants, the Board, in its discretion, may conduct further negotiations among the 3 final applicants. During such negotiations, each final applicant may increase its license bid or otherwise enhance its bid proposal. At the conclusion of such negotiations, the Board shall select the winning proposal. In the case of negotiations for an owners license, the Board may, at the conclusion of such negotiations, make the determination allowed under Section 7.3(a).

(8) Upon selection of a winning bid, the Board shall evaluate the winning bid within a reasonable period of time for licensee suitability in accordance with all applicable statutory and regulatory criteria.

(9) If the winning bidder is unable or otherwise fails to consummate the transaction, (including if the Board determines that the winning bidder does not satisfy the suitability requirements), the Board may, on the same criteria, select from the remaining bidders or make the determination allowed under Section 7.3(a).

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7.7 new)

[June 2, 2019]

Sec. 7.7. Organization gaming licenses.

(a) The Illinois Gaming Board shall award one organization gaming license to each person or entity having operating control of a racetrack that applies under Section 56 of the Illinois Horse Racing Act of 1975, subject to the application and eligibility requirements of this Section. Within 60 days after the effective date of this amendatory Act of the 101st General Assembly, a person or entity having operating control of a racetrack may submit an application for an organization gaming license. The application shall be made on such forms as provided by the Board and shall contain such information as the Board prescribes, including, but not limited to, the identity of any racetrack at which gaming will be conducted pursuant to an organization gaming license, detailed information regarding the ownership and management of the applicant, and detailed personal information regarding the applicant. The application shall specify the number of gaming positions the applicant intends to use and the place where the organization gaming facility will operate. A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

Each applicant shall disclose the identity of every person or entity having a direct or indirect pecuniary interest greater than 1% in any racetrack with respect to which the license is sought. If the disclosed entity is a corporation, the applicant shall disclose the names and addresses of all stockholders and directors. If the disclosed entity is a limited liability company, the applicant shall disclose the names and addresses of all members and managers. If the disclosed entity is a partnership, the applicant shall disclose the names and addresses of all partners, both general and limited. If the disclosed entity is a trust, the applicant shall disclose the names and addresses of all beneficiaries.

An application shall be filed and considered in accordance with the rules of the Board. Each application for an organization gaming license shall include a nonrefundable application fee of \$250,000. In addition, a nonrefundable fee of \$50,000 shall be paid at the time of filing to defray the costs associated with background investigations conducted by the Board. If the costs of the background investigation exceed \$50,000, the applicant shall pay the additional amount to the Board within 7 days after a request by the Board. If the costs of the investigation are less than \$50,000, the applicant shall receive a refund of the remaining amount. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the Board in the course of this review or investigation of an applicant for an organization gaming license under this Act shall be privileged and strictly confidential and shall be used only for the purpose of evaluating an applicant for an organization gaming license or a renewal. Such information, records, interviews, reports, statements, memoranda, or other data shall not be admissible as evidence nor discoverable in any action of any kind in any court or before any tribunal, board, agency or person, except for any action deemed necessary by the Board. The application fee shall be deposited into the State Gaming Fund.

Each applicant shall submit with his or her application, on forms provided by the Board, a set of his or her fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. This fee shall be paid into the State Police Services Fund.

(b) The Board shall determine within 120 days after receiving an application for an organization gaming license whether to grant an organization gaming license to the applicant. If the Board does not make a determination within that time period, then the Board shall give a written explanation to the applicant as to why it has not reached a determination and when it reasonably expects to make a determination.

The organization gaming licensee shall purchase up to the amount of gaming positions authorized under this Act within 120 days after receiving its organization gaming license. If an organization gaming licensee is prepared to purchase the gaming positions, but is temporarily prohibited from doing so by order of a court of competent jurisdiction or the Board, then the 120-day period is tolled until a resolution is reached.

An organization gaming license shall authorize its holder to conduct gaming under this Act at its racetracks on the same days of the year and hours of the day that owners licenses are allowed to operate under approval of the Board.

An organization gaming license and any renewal of an organization gaming license shall authorize gaming pursuant to this Section for a period of 4 years. The fee for the issuance or renewal of an organization gaming license shall be \$250,000.

All payments by licensees under this subsection (b) shall be deposited into the Rebuild Illinois Projects Fund.

(c) To be eligible to conduct gaming under this Section, a person or entity having operating control of a racetrack must (i) obtain an organization gaming license, (ii) hold an organization license under the Illinois Horse Racing Act of 1975, (iii) hold an inter-track wagering license, (iv) pay an initial fee of \$30,000 per gaming position from organization gaming licensees where gaming is conducted in Cook County and, except as provided in subsection (c-5), \$17,500 for organization gaming licensees where

gaming is conducted outside of Cook County before beginning to conduct gaming plus make the reconciliation payment required under subsection (k), (v) conduct live racing in accordance with subsections (e-1), (e-2), and (e-3) of Section 20 of the Illinois Horse Racing Act of 1975, (vi) meet the requirements of subsection (a) of Section 56 of the Illinois Horse Racing Act of 1975, (vii) for organization licensees conducting standardbred race meetings, keep backstretch barns and dormitories open and operational year-round unless a lesser schedule is mutually agreed to by the organization licensee and the horsemen association racing at that organization licensee's race meeting, (viii) for organization licensees conducting thoroughbred race meetings, the organization licensee must maintain accident medical expense liability insurance coverage of \$1,000,000 for jockeys, and (ix) meet all other requirements of this Act that apply to owners licensees.

An organization gaming licensee may enter into a joint venture with a licensed owner to own, manage, conduct, or otherwise operate the organization gaming licensee's organization gaming facilities, unless the organization gaming licensee has a parent company or other affiliated company that is, directly or indirectly, wholly owned by a parent company that is also licensed to conduct organization gaming, casino gaming, or their equivalent in another state.

All payments by licensees under this subsection (c) shall be deposited into the Rebuild Illinois Projects Fund.

(c-5) A person or entity having operating control of a racetrack located in Madison County shall only pay the initial fees specified in subsection (c) for 540 of the gaming positions authorized under the license.

(d) A person or entity is ineligible to receive an organization gaming license if:

(1) the person or entity has been convicted of a felony under the laws of this State, any other state, or the United States, including a conviction under the Racketeer Influenced and Corrupt Organizations Act;

(2) the person or entity has been convicted of any violation of Article 28 of the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person or entity has submitted an application for a license under this Act that contains false information;

(4) the person is a member of the Board;

(5) a person defined in (1), (2), (3), or (4) of this subsection (d) is an officer, director, or managerial employee of the entity;

(6) the person or entity employs a person defined in (1), (2), (3), or (4) of this subsection (d) who participates in the management or operation of gambling operations authorized under this Act; or

(7) a license of the person or entity issued under this Act or a license to own or operate gambling facilities in any other jurisdiction has been revoked.

(e) The Board may approve gaming positions pursuant to an organization gaming license statewide as provided in this Section. The authority to operate gaming positions under this Section shall be allocated as follows: up to 1,200 gaming positions for any organization gaming licensee in Cook County and up to 900 gaming positions for any organization gaming licensee outside of Cook County.

(f) Each applicant for an organization gaming license shall specify in its application for licensure the number of gaming positions it will operate, up to the applicable limitation set forth in subsection (e) of this Section. Any unreserved gaming positions that are not specified shall be forfeited and retained by the Board. For the purposes of this subsection (f), an organization gaming licensee that did not conduct live racing in 2010 and is located within 3 miles of the Mississippi River may reserve up to 900 positions and shall not be penalized under this Section for not operating those positions until it meets the requirements of subsection (e) of this Section, but such licensee shall not request unreserved gaming positions under this subsection (f) until its 900 positions are all operational.

Thereafter, the Board shall publish the number of unreserved gaming positions and shall accept requests for additional positions from any organization gaming licensee that initially reserved all of the positions that were offered. The Board shall allocate expeditiously the unreserved gaming positions to requesting organization gaming licensees in a manner that maximizes revenue to the State. The Board may allocate any such unused gaming positions pursuant to an open and competitive bidding process, as provided under Section 7.5 of this Act. This process shall continue until all unreserved gaming positions have been purchased. All positions obtained pursuant to this process and all positions the organization gaming licensee specified it would operate in its application must be in operation within 18 months after they were obtained or the organization gaming licensee forfeits the right to operate those positions, but is not entitled to a refund of any fees paid. The Board may, after holding a public hearing, grant extensions so long as the organization gaming licensee is working in good faith to make the positions operational. The extension may be for a period of 6 months. If, after the period of the extension, the organization gaming licensee has not made the positions operational, then another public hearing must be held by the Board before it may grant another extension.

Unreserved gaming positions retained from and allocated to organization gaming licensees by the Board pursuant to this subsection (f) shall not be allocated to owners licensees under this Act.

For the purpose of this subsection (f), the unreserved gaming positions for each organization gaming licensee shall be the applicable limitation set forth in subsection (e) of this Section, less the number of reserved gaming positions by such organization gaming licensee, and the total unreserved gaming positions shall be the aggregate of the unreserved gaming positions for all organization gaming licensees.

(g) An organization gaming licensee is authorized to conduct the following at a racetrack:

(1) slot machine gambling;

(2) video game of chance gambling;

(3) gambling with electronic gambling games as defined in this Act or defined by the Illinois Gaming Board; and

(4) table games.

(h) Subject to the approval of the Illinois Gaming Board, an organization gaming licensee may make modification or additions to any existing buildings and structures to comply with the requirements of this Act. The Illinois Gaming Board shall make its decision after consulting with the Illinois Racing Board. In no case, however, shall the Illinois Gaming Board approve any modification or addition that alters the grounds of the organization licensee such that the act of live racing is an ancillary activity to gaming authorized under this Section. Gaming authorized under this Section may take place in existing structures where inter-track wagering is conducted at the racetrack or a facility within 300 yards of the racetrack in accordance with the provisions of this Act and the Illinois Horse Racing Act of 1975.

(i) An organization gaming licensee may conduct gaming at a temporary facility pending the construction of a permanent facility or the remodeling or relocation of an existing facility to accommodate gaming participants for up to 24 months after the temporary facility begins to conduct gaming authorized under this Section. Upon request by an organization gaming licensee and upon a showing of good cause by the organization gaming licensee, the Board shall extend the period during which the licensee may conduct gaming authorized under this Section at a temporary facility by up to 12 months. The Board shall make rules concerning the conduct of gaming authorized under this Section from temporary facilities.

The gaming authorized under this Section may take place in existing structures where inter-track wagering is conducted at the racetrack or a facility within 300 yards of the racetrack in accordance with the provisions of this Act and the Illinois Horse Racing Act of 1975.

(i-5) Under no circumstances shall an organization gaming licensee conduct gaming at any State or county fair.

(j) The Illinois Gaming Board must adopt emergency rules in accordance with Section 5-45 of the Illinois Administrative Procedure Act as necessary to ensure compliance with the provisions of this amendatory Act of the 101st General Assembly concerning the conduct of gaming by an organization gaming licensee. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) Each organization gaming licensee who obtains gaming positions must make a reconciliation payment 3 years after the date the organization gaming licensee begins operating the positions in an amount equal to 75% of the difference between its adjusted gross receipts from gaming authorized under this Section and amounts paid to its purse accounts pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 for the 12-month period for which such difference was the largest, minus an amount equal to the initial per position fee paid by the organization gaming licensee. If this calculation results in a negative amount, then the organization gaming licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board.

All payments by licensees under this subsection (k) shall be deposited into the Rebuild Illinois Projects Fund.

(l) As soon as practical after a request is made by the Illinois Gaming Board, to minimize duplicate submissions by the applicant, the Illinois Racing Board must provide information on an applicant for an organization gaming license to the Illinois Gaming Board.

(230 ILCS 10/7.8 new)

Sec. 7.8. Home rule. The regulation and licensing of organization gaming licensees and gaming conducted pursuant to an organization gaming license are exclusive powers and functions of the State. A home rule unit may not regulate or license such gaming or organization gaming licensees. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(230 ILCS 10/7.10 new)

Sec. 7.10. Diversity program.

(a) Each owners licensee, organization gaming licensee, and suppliers licensee shall establish and maintain a diversity program to ensure non-discrimination in the award and administration of contracts. The programs shall establish goals of awarding not less than 25% of the annual dollar value of all contracts, purchase orders, or other agreements to minority-owned businesses and 5% of the annual dollar value of all contracts to women-owned businesses.

(b) Each owners licensee, organization gaming licensee, and suppliers licensee shall establish and maintain a diversity program designed to promote equal opportunity for employment. The program shall establish hiring goals as the Board and each licensee determines appropriate. The Board shall monitor the progress of the gaming licensee's progress with respect to the program's goals.

(c) No later than May 31 of each year, each licensee shall report to the Board (1) the number of respective employees and the number of its respective employees who have designated themselves as members of a minority group and gender and (2) the total goals achieved under subsection (a) of this Section as a percentage of the total contracts awarded by the license. In addition, all licensees shall submit a report with respect to the minority-owned and women-owned businesses program created in this Section to the Board.

(d) When considering whether to re-issue or renew a license to an owners licensee, organization gaming licensee, or suppliers licensee, the Board shall take into account the licensee's success in complying with the provisions of this Section. If an owners licensee, organization gaming licensee, or suppliers licensee has not satisfied the goals contained in this Section, the Board shall require a written explanation as to why the licensee is not in compliance and shall require the licensee to file multi-year metrics designed to achieve compliance with the provisions by the next renewal period, consistent with State and federal law.

(230 ILCS 10/7.11 new)

Sec. 7.11. Annual report on diversity.

(a) Each licensee that receives a license under Sections 7, 7.1, and 7.7 shall execute and file a report with the Board no later than December 31 of each year that shall contain, but not be limited to, the following information:

(i) a good faith affirmative action plan to recruit, train, and upgrade minority persons, women, and persons with a disability in all employment classifications;

(ii) the total dollar amount of contracts that were awarded to businesses owned by minority persons, women, and persons with a disability;

(iii) the total number of businesses owned by minority persons, women, and persons with a disability that were utilized by the licensee;

(iv) the utilization of businesses owned by minority persons, women, and persons with disabilities during the preceding year; and

(v) the outreach efforts used by the licensee to attract investors and businesses consisting of minority persons, women, and persons with a disability.

(b) The Board shall forward a copy of each licensee's annual reports to the General Assembly no later than February 1 of each year. The reports to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(230 ILCS 10/7.12 new)

Sec. 7.12. Issuance of new owners licenses.

(a) Owners licenses newly authorized pursuant to this amendatory Act of the 101st General Assembly may be issued by the Board to a qualified applicant pursuant to an open and competitive bidding process, as set forth in Section 7.5, and subject to the maximum number of authorized licenses set forth in subsection (e-5) of Section 7 of this Act.

(b) To be a qualified applicant, a person or entity may not be ineligible to receive an owners license under subsection (a) of Section 7 of this Act and must submit an application for an owners license that complies with Section 6 of this Act.

(c) In determining whether to grant an owners license to an applicant, the Board shall consider all of the factors set forth in subsections (b) and (e-10) of Section 7 of this Act, as well as the amount of the applicant's license bid. The Board may grant the owners license to an applicant that has not submitted the highest license bid, but if it does not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected and identifying the factors set forth in subsections (b) and (e-10) of Section 7 of this Act that favored the winning bidder.

(230 ILCS 10/7.13 new)

Sec. 7.13. Environmental standards. All permanent casinos, riverboats, and organization gaming facilities shall consist of buildings that are certified as meeting the U.S. Green Building Council's

Leadership in Energy and Environmental Design standards. The provisions of this Section apply to a holder of an owners license or organization gaming license that (i) begins operations on or after January 1, 2019 or (ii) relocates its facilities on or after the effective date of this amendatory Act of the 101st General Assembly.

(230 ILCS 10/7.14 new)

Sec. 7.14. Chicago Casino Advisory Committee. An Advisory Committee is established to monitor, review, and report on (1) the utilization of minority-owned business enterprises and women-owned business enterprises by the owners licensee, (2) employment of women, and (3) employment of minorities with regard to the development and construction of the casino as authorized under paragraph (1) of subsection (e-5) of Section 7 of the Illinois Gambling Act. The owners licensee under paragraph (1) of subsection (e-5) of Section 7 of the Illinois Gambling Act shall work with the Advisory Committee in accumulating necessary information for the Advisory Committee to submit reports, as necessary, to the General Assembly and to the City of Chicago.

The Advisory Committee shall consist of 9 members as provided in this Section. Five members shall be selected by the Governor and 4 members shall be selected by the Mayor of the City of Chicago. The Governor and the Mayor of the City of Chicago shall each appoint at least one current member of the General Assembly. The Advisory Committee shall meet periodically and shall report the information to the Mayor of the City of Chicago and to the General Assembly by December 31st of every year.

The Advisory Committee shall be dissolved on the date that casino gambling operations are first conducted at a permanent facility under the license authorized under paragraph (1) of subsection (e-5) Section 7 of the Illinois Gambling Act. For the purposes of this Section, the terms "woman" and "minority person" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(230 ILCS 10/7.15 new)

Sec. 7.15. Limitations on gaming at Chicago airports. The Chicago casino may conduct gaming operations in an airport under the administration or control of the Chicago Department of Aviation. Gaming operations may be conducted pursuant to this Section so long as: (i) gaming operations are conducted in a secured area that is beyond the Transportation Security Administration security checkpoints and only available to airline passengers at least 21 years of age who are members of a private club, and not to the general public, (ii) gaming operations are limited to slot machines, as defined in Section 4 of the Illinois Gambling Act, and (iii) the combined number of gaming positions operating in the City of Chicago at the airports and at the temporary and permanent casino facility does not exceed the maximum number of gaming positions authorized pursuant to subsection (h) of Section 7 of the Illinois Gambling Act. Gaming operations at an airport are subject to all applicable laws and rules that apply to any other gaming facility under the Illinois Gambling Act.

(230 ILCS 10/8) (from Ch. 120, par. 2408)

Sec. 8. Suppliers licenses.

(a) The Board may issue a suppliers license to such persons, firms or corporations which apply therefor upon the payment of a non-refundable application fee set by the Board, upon a determination by the Board that the applicant is eligible for a suppliers license and upon payment of a \$5,000 annual license fee.

(b) The holder of a suppliers license is authorized to sell or lease, and to contract to sell or lease, gambling equipment and supplies to any licensee involved in the ownership or management of gambling operations.

(c) Gambling supplies and equipment may not be distributed unless supplies and equipment conform to standards adopted by rules of the Board.

(d) A person, firm or corporation is ineligible to receive a suppliers license if:

(1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;

(2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person has submitted an application for a license under this Act which contains false information;

(4) the person is a member of the Board;

(5) the ~~entity firm or corporation~~ is one in which a person defined in (1), (2), (3) or (4), is an officer, director or managerial employee;

(6) the firm or corporation employs a person who participates in the management or operation of ~~riverboat~~ gambling authorized under this Act;

(7) the license of the person, firm or corporation issued under this Act, or a license to own or operate gambling facilities in any other jurisdiction, has been revoked.

(e) Any person that supplies any equipment, devices, or supplies to a licensed ~~riverboat~~ gambling operation must first obtain a suppliers license. A supplier shall furnish to the Board a list of all equipment, devices and supplies offered for sale or lease in connection with gambling games authorized under this Act. A supplier shall keep books and records for the furnishing of equipment, devices and supplies to gambling operations separate and distinct from any other business that the supplier might operate. A supplier shall file a quarterly return with the Board listing all sales and leases. A supplier shall permanently affix its name or a distinctive logo or other mark or design element identifying the manufacturer or supplier to all its equipment, devices, and supplies, except gaming chips without a value impressed, engraved, or imprinted on it, for gambling operations. The Board may waive this requirement for any specific product or products if it determines that the requirement is not necessary to protect the integrity of the game. Items purchased from a licensed supplier may continue to be used even though the supplier subsequently changes its name, distinctive logo, or other mark or design element; undergoes a change in ownership; or ceases to be licensed as a supplier for any reason. Any supplier's equipment, devices or supplies which are used by any person in an unauthorized gambling operation shall be forfeited to the State. A holder of an owners license or an organization gaming license ~~A licensed owner~~ may own its own equipment, devices and supplies. Each holder of an owners license or an organization gaming license under the Act shall file an annual report listing its inventories of gambling equipment, devices and supplies.

(f) Any person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) Any gambling equipment, devices and supplies provided by any licensed supplier may either be repaired on the riverboat, in the casino, or at the organization gaming facility ~~or removed from the riverboat, casino, or organization gaming facility to a on-shore facility~~ owned by the holder of an owners license, organization gaming license, or suppliers license for repair.

(Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13; 98-756, eff. 7-16-14.)

(230 ILCS 10/9) (from Ch. 120, par. 2409)

Sec. 9. Occupational licenses.

(a) The Board may issue an occupational license to an applicant upon the payment of a non-refundable fee set by the Board, upon a determination by the Board that the applicant is eligible for an occupational license and upon payment of an annual license fee in an amount to be established. To be eligible for an occupational license, an applicant must:

(1) be at least 21 years of age if the applicant will perform any function involved in gaming by patrons. Any applicant seeking an occupational license for a non-gaming function shall be at least 18 years of age;

(2) not have been convicted of a felony offense, a violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar statute of any other jurisdiction;

(2.5) not have been convicted of a crime, other than a crime described in item (2) of this subsection (a), involving dishonesty or moral turpitude, except that the Board may, in its discretion, issue an occupational license to a person who has been convicted of a crime described in this item (2.5) more than 10 years prior to his or her application and has not subsequently been convicted of any other crime;

(3) have demonstrated a level of skill or knowledge which the Board determines to be necessary in order to operate gambling aboard a riverboat, in a casino, or at an organization gaming facility; and

(4) have met standards for the holding of an occupational license as adopted by rules of the Board. Such rules shall provide that any person or entity seeking an occupational license to manage gambling operations under this Act hereunder shall be subject to background inquiries and further requirements similar to those required of applicants for an owners license. Furthermore, such rules shall provide that each such entity shall be permitted to manage gambling operations for only one licensed owner.

(b) Each application for an occupational license shall be on forms prescribed by the Board and shall contain all information required by the Board. The applicant shall set forth in the application: whether he has been issued prior gambling related licenses; whether he has been licensed in any other state under any other name, and, if so, such name and his age; and whether or not a permit or license issued to him in any other state has been suspended, restricted or revoked, and, if so, for what period of time.

(c) Each applicant shall submit with his application, on forms provided by the Board, 2 sets of his fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund.

(d) The Board may in its discretion refuse an occupational license to any person: (1) who is unqualified to perform the duties required of such applicant; (2) who fails to disclose or states falsely any information called for in the application; (3) who has been found guilty of a violation of this Act or whose prior gambling related license or application therefor has been suspended, restricted, revoked or denied for just cause in any other state; or (4) for any other just cause.

(e) The Board may suspend, revoke or restrict any occupational licensee: (1) for violation of any provision of this Act; (2) for violation of any of the rules and regulations of the Board; (3) for any cause which, if known to the Board, would have disqualified the applicant from receiving such license; or (4) for default in the payment of any obligation or debt due to the State of Illinois; or (5) for any other just cause.

(f) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) Any license issued pursuant to this Section shall be valid for a period of one year from the date of issuance.

(h) Nothing in this Act shall be interpreted to prohibit a licensed owner or organization gaming licensee from entering into an agreement with a public community college or a school approved under the Private Business and Vocational Schools Act of 2012 for the training of any occupational licensee. Any training offered by such a school shall be in accordance with a written agreement between the licensed owner or organization gaming licensee and the school.

(i) Any training provided for occupational licensees may be conducted either at the site of the gambling facility on the riverboat or at a school with which a licensed owner or organization gaming licensee has entered into an agreement pursuant to subsection (h).

(Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12; 97-1150, eff. 1-25-13.)

(230 ILCS 10/11) (from Ch. 120, par. 2411)

Sec. 11. Conduct of gambling. Gambling may be conducted by licensed owners or licensed managers on behalf of the State aboard riverboats. Gambling may be conducted by organization gaming licensees at organization gaming facilities. Gambling authorized under this Section is τ subject to the following standards:

(1) A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of patrons passengers on a riverboat not used for excursion cruises for the purpose of gambling. Excursion cruises shall not exceed 4 hours for a round trip. However, the Board may grant express approval for an extended cruise on a case-by-case basis.

(1.5) An owners licensee may conduct gambling operations authorized under this Act 24 hours a day.

(2) (Blank).

(3) Minimum and maximum wagers on games shall be set by the licensee.

(4) Agents of the Board and the Department of State Police may board and inspect any riverboat, enter and inspect any portion of a casino, or enter and inspect any portion of an organization gaming facility at any time for the purpose of determining whether this Act is being complied with. Every riverboat, if under way and being hailed by a law enforcement officer or agent of the Board, must stop immediately and lay to.

(5) Employees of the Board shall have the right to be present on the riverboat or in the casino or on adjacent facilities under the control of the licensee and at the organization gaming facility under the control of the organization gaming licensee.

(6) Gambling equipment and supplies customarily used in conducting riverboat gambling must be purchased or leased only from suppliers licensed for such purpose under this Act. The Board may approve the transfer, sale, or lease of gambling equipment and supplies by a licensed owner from or to an affiliate of the licensed owner as long as the gambling equipment and supplies were initially acquired from a supplier licensed in Illinois.

(7) Persons licensed under this Act shall permit no form of wagering on gambling games except as permitted by this Act.

(8) Wagers may be received only from a person present on a licensed riverboat, in a casino, or at an organization gaming facility. No

person present on a licensed riverboat, in a casino, or at an organization gaming facility shall place or attempt to place a wager on behalf of another person who is not present on the riverboat, in a casino, or at the organization gaming facility.

(9) Wagering, including gaming authorized under Section 7.7, shall not be conducted with money or other negotiable currency.

(10) A person under age 21 shall not be permitted on an area of a riverboat or casino where

gambling is being conducted or at an organization gaming facility where gambling is being conducted, except for a person at least 18 years of age who is an employee of the riverboat or casino gambling operation or gaming operation. No employee under age 21 shall perform any function involved in gambling by the patrons. No person under age 21 shall be permitted to make a wager under this Act, and any winnings that are a result of a wager by a person under age 21, whether or not paid by a licensee, shall be treated as winnings for the privilege tax purposes, confiscated, and forfeited to the State and deposited into the Education Assistance Fund.

(11) Gambling excursion cruises are permitted only when the waterway for which the riverboat is licensed is navigable, as determined by the Board in consultation with the U.S. Army Corps of Engineers. This paragraph (11) does not limit the ability of a licensee to conduct gambling authorized under this Act when gambling excursion cruises are not permitted.

(12) All ~~tickets~~ tokens, chips, or electronic cards used to make wagers must be purchased (i) from a licensed owner or manager, in the case of a riverboat, either aboard a riverboat or at an onshore facility which has been approved by the Board and which is located where the riverboat docks, (ii) in the case of a casino, from a licensed owner at the casino, or (iii) from an organization gaming licensee at the organization gaming facility. The ~~tickets~~ tokens, chips, or electronic cards may be purchased by means of an agreement under which the owner or manager extends credit to the patron. Such ~~tickets~~ tokens, chips, or electronic cards may be used while aboard the riverboat, in the casino, or at the organization gaming facility only for the purpose of making wagers on gambling games.

(13) Notwithstanding any other Section of this Act, in addition to the other licenses authorized under this Act, the Board may issue special event licenses allowing persons who are not otherwise licensed to conduct riverboat gambling to conduct such gambling on a specified date or series of dates. Riverboat gambling under such a license may take place on a riverboat not normally used for riverboat gambling. The Board shall establish standards, fees and fines for, and limitations upon, such licenses, which may differ from the standards, fees, fines and limitations otherwise applicable under this Act. All such fees shall be deposited into the State Gaming Fund. All such fines shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(14) In addition to the above, gambling must be conducted in accordance with all rules adopted by the Board.

(Source: P.A. 96-1392, eff. 1-1-11.)

(230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

Sec. 11.1. Collection of amounts owing under credit agreements. Notwithstanding any applicable statutory provision to the contrary, a licensed owner, licensed ~~or manager~~, or organization gaming licensee who extends credit to a ~~riverboat~~ gambling patron pursuant to paragraph (12) of Section 11 ~~Section 11 (a) (42)~~ of this Act is expressly authorized to institute a cause of action to collect any amounts due and owing under the extension of credit, as well as the licensed owner's, licensed ~~or manager's~~, or organization gaming licensee's costs, expenses and reasonable attorney's fees incurred in collection.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/12) (from Ch. 120, par. 2412)

Sec. 12. Admission tax; fees.

(a) A tax is hereby imposed upon admissions to riverboat and casino gambling facilities ~~riverboats~~ operated by licensed owners authorized pursuant to this Act. Until July 1, 2002, the rate is \$2 per person admitted. From July 1, 2002 until July 1, 2003, the rate is \$3 per person admitted. From July 1, 2003 until August 23, 2005 (the effective date of Public Act 94-673), for a licensee that admitted 1,000,000 persons or fewer in the previous calendar year, the rate is \$3 per person admitted; for a licensee that admitted more than 1,000,000 but no more than 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 per person admitted. Beginning on August 23, 2005 (the effective date of Public Act 94-673), for a licensee that admitted 1,000,000 persons or fewer in calendar year 2004, the rate is \$2 per person admitted, and for all other licensees, including licensees that were not conducting gambling operations in 2004, the rate is \$3 per person admitted. This admission tax is imposed upon the licensed owner conducting gambling.

(1) The admission tax shall be paid for each admission, except that a person who exits a riverboat gambling facility and reenters that riverboat gambling facility within the same gaming day shall be subject only to the initial admission tax.

(2) (Blank).

(3) The riverboat licensee may issue tax-free passes to actual and necessary officials and employees of the licensee or other persons actually working on the riverboat.

(4) The number and issuance of tax-free passes is subject to the rules of the Board, and

a list of all persons to whom the tax-free passes are issued shall be filed with the Board.

(a-5) A fee is hereby imposed upon admissions operated by licensed managers on behalf of the State pursuant to Section 7.3 at the rates provided in this subsection (a-5). For a licensee that admitted 1,000,000 persons or fewer in the previous calendar year, the rate is \$3 per person admitted; for a licensee that admitted more than 1,000,000 but no more than 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 per person admitted.

(1) The admission fee shall be paid for each admission.

(2) (Blank).

(3) The licensed manager may issue fee-free passes to actual and necessary officials and employees of the manager or other persons actually working on the riverboat.

(4) The number and issuance of fee-free passes is subject to the rules of the Board, and a list of all persons to whom the fee-free passes are issued shall be filed with the Board.

(b) Except as provided in subsection (b-5), from ~~From~~ the tax imposed under subsection (a) and the fee imposed under subsection (a-5), a municipality shall receive from the State \$1 for each person embarking on a riverboat docked within the municipality or entering a casino located within the municipality, and a county shall receive \$1 for each person entering a casino or embarking on a riverboat docked within the county but outside the boundaries of any municipality. The municipality's or county's share shall be collected by the Board on behalf of the State and remitted quarterly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(b-5) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), \$1 for each person embarking on a riverboat designated in paragraph (4) of subsection (e-5) of Section 7 shall be divided as follows: \$0.70 to the City of Rockford, \$0.05 to the City of Loves Park, \$0.05 to the Village of Machesney Park, and \$0.20 to Winnebago County.

The municipality's or county's share shall be collected by the Board on behalf of the State and remitted monthly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(b-10) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), \$1 for each person embarking on a riverboat or entering a casino designated in paragraph (1) of subsection (e-5) of Section 7 shall be divided as follows: \$0.70 to the City of Chicago, \$0.15 to the Village of Maywood, and \$0.15 to the Village of Summit.

The municipality's or county's share shall be collected by the Board on behalf of the State and remitted monthly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(b-15) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), \$1 for each person embarking on a riverboat or entering a casino designated in paragraph (2) of subsection (e-5) of Section 7 shall be divided as follows: \$0.70 to the City of Danville and \$0.30 to Vermilion County.

The municipality's or county's share shall be collected by the Board on behalf of the State and remitted monthly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(c) The licensed owner shall pay the entire admission tax to the Board and the licensed manager shall pay the entire admission fee to the Board. Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board which shall include other information regarding admissions as the Board may require. Failure to submit either the payment or the return within the specified time may result in suspension or revocation of the owners or managers license.

(c-5) A tax is imposed on admissions to organization gaming facilities at the rate of \$3 per person admitted by an organization gaming licensee. The tax is imposed upon the organization gaming licensee.

(1) The admission tax shall be paid for each admission, except that a person who exits an organization gaming facility and reenters that organization gaming facility within the same gaming day, as the term "gaming day" is defined by the Board by rule, shall be subject only to the initial admission tax. The Board shall establish, by rule, a procedure to determine whether a person admitted to an organization gaming facility has paid the admission tax.

(2) An organization gaming licensee may issue tax-free passes to actual and necessary officials and employees of the licensee and other persons associated with its gaming operations.

(3) The number and issuance of tax-free passes is subject to the rules of the Board, and a list of all persons to whom the tax-free passes are issued shall be filed with the Board.

(4) The organization gaming licensee shall pay the entire admission tax to the Board.

Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board, which shall include other information regarding admission as the Board may require. Failure

to submit either the payment or the return within the specified time may result in suspension or revocation of the organization gaming license.

From the tax imposed under this subsection (c-5), a municipality other than the Village of Stickney or the City of Collinsville in which an organization gaming facility is located, or if the organization gaming facility is not located within a municipality, then the county in which the organization gaming facility is located, except as otherwise provided in this Section, shall receive, subject to appropriation, \$1 for each person who enters the organization gaming facility. For each admission to the organization gaming facility in excess of 1,500,000 in a year, from the tax imposed under this subsection (c-5), the county in which the organization gaming facility is located shall receive, subject to appropriation, \$0.30, which shall be in addition to any other moneys paid to the county under this Section.

From the tax imposed under this subsection (c-5) on an organization gaming facility located in the Village of Stickney, \$1 for each person who enters the organization gaming facility shall be distributed as follows, subject to appropriation: \$0.24 to the Village of Stickney, \$0.49 to the Town of Cicero, \$0.05 to the City of Berwyn, and \$0.17 to the Stickney Public Health District, and \$0.05 to the City of Bridgeview.

From the tax imposed under this subsection (c-5) on an organization gaming facility located in the City of Collinsville, the following shall each receive 10 cents for each person who enters the organization gaming facility, subject to appropriation: the Village of Alorton; the Village of Washington Park; State Park Place; the Village of Fairmont City; the City of Centreville; the Village of Brooklyn; the City of Venice; the City of Madison; the Village of Caseyville; and the Village of Pontoon Beach.

On the 25th day of each month, all amounts remaining after payments required under this subsection (c-5) have been made shall be transferred into the Capital Projects Fund.

(d) The Board shall administer and collect the admission tax imposed by this Section, to the extent practicable, in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

(230 ILCS 10/13) (from Ch. 120, par. 2413)

Sec. 13. Wagering tax; rate; distribution.

(a) Until January 1, 1998, a tax is imposed on the adjusted gross receipts received from gambling games authorized under this Act at the rate of 20%.

(a-1) From January 1, 1998 until July 1, 2002, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

20% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

25% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

30% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

35% of annual adjusted gross receipts in excess of \$100,000,000.

(a-2) From July 1, 2002 until July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

(a-3) Beginning July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling

operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

- 15% of annual adjusted gross receipts up to and including \$25,000,000;
- 27.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$37,500,000;
- 32.5% of annual adjusted gross receipts in excess of \$37,500,000 but not exceeding \$50,000,000;
- 37.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;
- 45% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;
- 50% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$250,000,000;
- 70% of annual adjusted gross receipts in excess of \$250,000,000.

An amount equal to the amount of wagering taxes collected under this subsection (a-3) that are in addition to the amount of wagering taxes that would have been collected if the wagering tax rates under subsection (a-2) were in effect shall be paid into the Common School Fund.

The privilege tax imposed under this subsection (a-3) shall no longer be imposed beginning on the earlier of (i) July 1, 2005; (ii) the first date after June 20, 2003 that riverboat gambling operations are conducted pursuant to a dormant license; or (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act. For the purposes of this subsection (a-3), the term "dormant license" means an owners license that is authorized by this Act under which no riverboat gambling operations are being conducted on June 20, 2003.

(a-4) Beginning on the first day on which the tax imposed under subsection (a-3) is no longer imposed and ending upon the imposition of the privilege tax under subsection (a-5) of this Section, a privilege tax is imposed on persons engaged in the business of conducting ~~riverboat~~ gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

- 15% of annual adjusted gross receipts up to and including \$25,000,000;
- 22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;
- 27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;
- 32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;
- 37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;
- 45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;
- 50% of annual adjusted gross receipts in excess of \$200,000,000.

For the imposition of the privilege tax in this subsection (a-4), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

(a-5) Beginning on the first day that an owners licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, a privilege tax is imposed on persons engaged in the business of conducting gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by such licensee from the gambling games authorized under this Act. The privilege tax for all gambling games other than table games, including, but not limited to, slot machines, video game of chance gambling, and electronic gambling games shall be at the following rates:

- 15% of annual adjusted gross receipts up to and including \$25,000,000;
- 22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;
- 27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;
- 32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;
- 37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;
- 45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;
- 50% of annual adjusted gross receipts in excess of \$200,000,000.

The privilege tax for table games shall be at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

20% of annual adjusted gross receipts in excess of \$25,000,000.

For the imposition of the privilege tax in this subsection (a-5), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

Notwithstanding the provisions of this subsection (a-5), for the first 10 years that the privilege tax is imposed under this subsection (a-5), the privilege tax shall be imposed on the modified annual adjusted gross receipts of a riverboat or casino conducting gambling operations in the City of East St. Louis, unless:

(1) the riverboat or casino fails to employ at least 450 people;

(2) the riverboat or casino fails to maintain operations in a manner consistent with this Act or is not a viable riverboat or casino subject to the approval of the Board; or

(3) the owners licensee is not an entity in which employees participate in an employee stock ownership plan.

As used in this subsection (a-5), "modified annual adjusted gross receipts" means:

(A) for calendar year 2020, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 2014, 2015, 2016, 2017, and 2018 and the annual adjusted gross receipts for 2018;

(B) for calendar year 2021, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 2014, 2015, 2016, 2017, and 2018 and the annual adjusted gross receipts for 2019; and

(C) for calendar years 2022 through 2029, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 3 years preceding the current year and the annual adjusted gross receipts for the immediately preceding year.

(a-5.5) In addition to the privilege tax imposed under subsection (a-5), a privilege tax is imposed on the owners licensee under paragraph (1) of subsection (e-5) of Section 7 at the rate of one-third of the owners licensee's adjusted gross receipts.

For the imposition of the privilege tax in this subsection (a-5.5), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

(a-6) From the effective date of this amendatory Act of the 101st General Assembly until June 30, 2023, an owners licensee that conducted gambling operations prior to January 1, 2011 shall receive a dollar-for-dollar credit against the tax imposed under this Section for any renovation or construction costs paid by the owners licensee, but in no event shall the credit exceed \$2,000,000.

Additionally, from the effective date of this amendatory Act of the 101st General Assembly until December 31, 2022, an owners licensee that (i) is located within 15 miles of the Missouri border, and (ii) has at least 3 riverboats, casinos, or their equivalent within a 45-mile radius, may be authorized to relocate to a new location with the approval of both the unit of local government designated as the home dock and the Board, so long as the new location is within the same unit of local government and no more than 3 miles away from its original location. Such owners licensee shall receive a credit against the tax imposed under this Section equal to 8% of the total project costs, as approved by the Board, for any renovation or construction costs paid by the owners licensee for the construction of the new facility, provided that the new facility is operational by July 1, 2022. In determining whether or not to approve a relocation, the Board must consider the extent to which the relocation will diminish the gaming revenues received by other Illinois gaming facilities.

(a-7) Beginning in the initial adjustment year and through the final adjustment year, if the total obligation imposed pursuant to either subsection (a-5) or (a-6) will result in an owners licensee receiving less after-tax adjusted gross receipts than it received in calendar year 2018, then the total amount of privilege taxes that the owners licensee is required to pay for that calendar year shall be reduced to the extent necessary so that the after-tax adjusted gross receipts in that calendar year equals the after-tax adjusted gross receipts in calendar year 2018, but the privilege tax reduction shall not exceed the annual adjustment cap. If pursuant to this subsection (a-7), the total obligation imposed pursuant to either subsection (a-5) or (a-6) shall be reduced, then the owners licensee shall not receive a refund from the State at the end of the subject calendar year but instead shall be able to apply that amount as a credit against any payments it owes to the State in the following calendar year to satisfy its total obligation under either

subsection (a-5) or (a-6). The credit for the final adjustment year shall occur in the calendar year following the final adjustment year.

If an owners licensee that conducted gambling operations prior to January 1, 2019 expands its riverboat or casino, including, but not limited to, with respect to its gaming floor, additional non-gaming amenities such as restaurants, bars, and hotels and other additional facilities, and incurs construction and other costs related to such expansion from the effective date of this amendatory Act of the 101st General Assembly until the 5th anniversary of the effective date of this amendatory Act of the 101st General Assembly, then for each \$15,000,000 spent for any such construction or other costs related to expansion paid by the owners licensee, the final adjustment year shall be extended by one year and the annual adjustment cap shall increase by 0.2% of adjusted gross receipts during each calendar year until and including the final adjustment year. No further modifications to the final adjustment year or annual adjustment cap shall be made after \$75,000,000 is incurred in construction or other costs related to expansion so that the final adjustment year shall not extend beyond the 9th calendar year after the initial adjustment year, not including the initial adjustment year, and the annual adjustment cap shall not exceed 4% of adjusted gross receipts in a particular calendar year. Construction and other costs related to expansion shall include all project related costs, including, but not limited to, all hard and soft costs, financing costs, on or off-site ground, road or utility work, cost of gaming equipment and all other personal property, initial fees assessed for each incremental gaming position, and the cost of incremental land acquired for such expansion. Soft costs shall include, but not be limited to, legal fees, architect, engineering and design costs, other consultant costs, insurance cost, permitting costs, and pre-opening costs related to the expansion, including, but not limited to, any of the following: marketing, real estate taxes, personnel, training, travel and out-of-pocket expenses, supply, inventory, and other costs, and any other project related soft costs.

To be eligible for the tax credits in subsection (a-6), all construction contracts shall include a requirement that the contractor enter into a project labor agreement with the building and construction trades council with geographic jurisdiction of the location of the proposed gaming facility.

Notwithstanding any other provision of this subsection (a-7), this subsection (a-7) does not apply to an owners licensee unless such owners licensee spends at least \$15,000,000 on construction and other costs related to its expansion, excluding the initial fees assessed for each incremental gaming position.

This subsection (a-7) does not apply to owners licensees authorized pursuant to subsection (e-5) of Section 7 of this Act.

For purposes of this subsection (a-7):

"Building and construction trades council" means any organization representing multiple construction entities that are monitoring or attentive to compliance with public or workers' safety laws, wage and hour requirements, or other statutory requirements or that are making or maintaining collective bargaining agreements.

"Initial adjustment year" means the year commencing on January 1 of the calendar year immediately following the earlier of the following:

(1) the commencement of gambling operations, either in a temporary or permanent facility, with respect to the owners license authorized under paragraph (1) of subsection (e-5) of Section 7 of this Act; or

(2) 24 months after the effective date of this amendatory Act of the 101st General Assembly, provided the initial adjustment year shall not commence earlier than 12 months after the effective date of this amendatory Act of the 101st General Assembly.

"Final adjustment year" means the 2nd calendar year after the initial adjustment year, not including the initial adjustment year, and as may be extended further as described in this subsection (a-7).

"Annual adjustment cap" means 3% of adjusted gross receipts in a particular calendar year, and as may be increased further as otherwise described in this subsection (a-7).

(a-8) Riverboat gambling operations conducted by a licensed manager on behalf of the State are not subject to the tax imposed under this Section.

(a-9) Beginning on January 1, 2020, the calculation of gross receipts or adjusted gross receipts, for the purposes of this Section, for a riverboat, a casino, or an organization gaming facility shall not include the dollar amount of non-cashable vouchers, coupons, and electronic promotions redeemed by wagerers upon the riverboat, in the casino, or in the organization gaming facility up to and including an amount not to exceed 20% of a riverboat's, a casino's, or an organization gaming facility's adjusted gross receipts.

The Illinois Gaming Board shall submit to the General Assembly a comprehensive report no later than March 31, 2023 detailing, at a minimum, the effect of removing non-cashable vouchers, coupons, and electronic promotions from this calculation on net gaming revenues to the State in calendar years 2020 through 2022, the increase or reduction in wagerers as a result of removing non-cashable vouchers,

coupons, and electronic promotions from this calculation, the effect of the tax rates in subsection (a-5) on net gaming revenues to this State, and proposed modifications to the calculation.

(a-10) The taxes imposed by this Section shall be paid by the licensed owner or the organization gaming licensee to the Board not later than 5:00 o'clock p.m. of the day after the day when the wagers were made.

(a-15) If the privilege tax imposed under subsection (a-3) is no longer imposed pursuant to item (i) of the last paragraph of subsection (a-3), then by June 15 of each year, each owners licensee, other than an owners licensee that admitted 1,000,000 persons or fewer in calendar year 2004, must, in addition to the payment of all amounts otherwise due under this Section, pay to the Board a reconciliation payment in the amount, if any, by which the licensed owner's base amount exceeds the amount of net privilege tax paid by the licensed owner to the Board in the then current State fiscal year. A licensed owner's net privilege tax obligation due for the balance of the State fiscal year shall be reduced up to the total of the amount paid by the licensed owner in its June 15 reconciliation payment. The obligation imposed by this subsection (a-15) is binding on any person, firm, corporation, or other entity that acquires an ownership interest in any such owners license. The obligation imposed under this subsection (a-15) terminates on the earliest of: (i) July 1, 2007, (ii) the first day after the effective date of this amendatory Act of the 94th General Assembly that riverboat gambling operations are conducted pursuant to a dormant license, (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act, or (iv) the first day that a licensee under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming devices. The Board must reduce the obligation imposed under this subsection (a-15) by an amount the Board deems reasonable for any of the following reasons: (A) an act or acts of God, (B) an act of bioterrorism or terrorism or a bioterrorism or terrorism threat that was investigated by a law enforcement agency, or (C) a condition beyond the control of the owners licensee that does not result from any act or omission by the owners licensee or any of its agents and that poses a hazardous threat to the health and safety of patrons. If an owners licensee pays an amount in excess of its liability under this Section, the Board shall apply the overpayment to future payments required under this Section.

For purposes of this subsection (a-15):

"Act of God" means an incident caused by the operation of an extraordinary force that cannot be foreseen, that cannot be avoided by the exercise of due care, and for which no person can be held liable.

"Base amount" means the following:

For a riverboat in Alton, \$31,000,000.

For a riverboat in East Peoria, \$43,000,000.

For the Empress riverboat in Joliet, \$86,000,000.

For a riverboat in Metropolis, \$45,000,000.

For the Harrah's riverboat in Joliet, \$114,000,000.

For a riverboat in Aurora, \$86,000,000.

For a riverboat in East St. Louis, \$48,500,000.

For a riverboat in Elgin, \$198,000,000.

"Dormant license" has the meaning ascribed to it in subsection (a-3).

"Net privilege tax" means all privilege taxes paid by a licensed owner to the Board under this Section, less all payments made from the State Gaming Fund pursuant to subsection (b) of this Section.

The changes made to this subsection (a-15) by Public Act 94-839 are intended to restate and clarify the intent of Public Act 94-673 with respect to the amount of the payments required to be made under this subsection by an owners licensee to the Board.

(b) From Until January 1, 1998, 25% of the tax revenue deposited in the State Gaming Fund under this Section shall be paid, subject to appropriation by the General Assembly, to the unit of local government which is designated as the home dock of the riverboat. Beginning January 1, 1998, from the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by a riverboat or a casino, other than a riverboat or casino designated in paragraph (1), (3), or (4) of subsection (e-5) of Section 7, shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government in which the casino is located or that is designated as the home dock of the riverboat. Notwithstanding anything to the contrary, beginning on the first day that an owners licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and for 2 years thereafter, a unit of local government designated as the home dock of a riverboat whose license was issued before January 1, 2019, other than a riverboat conducting gambling operations in the City of East St. Louis, shall not receive less under this subsection (b) than the amount the unit of local government received under this subsection (b) in calendar year 2018. Notwithstanding anything to the contrary and because the City of East St. Louis is a financially distressed city, beginning on the first day that an owners

licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and for 10 years thereafter, a unit of local government designated as the home dock of a riverboat conducting gambling operations in the City of East St. Louis shall not receive less under this subsection (b) than the amount the unit of local government received under this subsection (b) in calendar year 2018.

From the tax revenue deposited in the State Gaming Fund pursuant to riverboat or casino gambling operations conducted by a licensed manager on behalf of the State, an amount equal to 5% of adjusted gross receipts generated pursuant to those riverboat or casino gambling operations shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat upon which those riverboat gambling operations are conducted or in which the casino is located.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (3) of subsection (e-5) of Section 7 shall be divided and remitted monthly, subject to appropriation, as follows: 70% to Waukegan, 10% to Park City, 15% to North Chicago, and 5% to Lake County.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (4) of subsection (e-5) of Section 7 shall be remitted monthly, subject to appropriation, as follows: 70% to the City of Rockford, 5% to the City of Loves Park, 5% to the Village of Machesney, and 20% to Winnebago County.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (5) of subsection (e-5) of Section 7 shall be remitted monthly, subject to appropriation, as follows: 2% to the unit of local government in which the riverboat or casino is located, and 3% shall be distributed: (A) in accordance with a regional capital development plan entered into by the following communities: Village of Beecher, City of Blue Island, Village of Burnham, City of Calumet City, Village of Calumet Park, City of Chicago Heights, City of Country Club Hills, Village of Dixmoor, Village of Dolton, Village of East Hazel Crest, Village of Flossmoor, Village of Ford Heights, Village of Glenwood, City of Harvey, Village of Hazel Crest, Village of Homewood, Village of Lansing, Village of Lynwood, City of Markham, Village of Matteson, Village of Midlothian, City of Oak Forest, Village of Olympia Fields, Village of Orland Hills, Village of Orland Park, City of Palos Heights, Village of Park Forest, Village of Phoenix, Village of Posen, Village of Richton Park, Village of Riverdale, Village of Robbins, Village of Sauk Village, Village of South Chicago Heights, Village of South Holland, Village of Steger, Village of Thornton, Village of Tinley Park, and Village of University Park; or (B) if no regional capital development plan exists, equally among the communities listed in item (A) to be used for capital expenditures or public pension payments, or both.

Units of local government may refund any portion of the payment that they receive pursuant to this subsection (b) to the riverboat or casino.

(b-4) Beginning on the first day the licensee under paragraph (5) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and ending on July 31, 2042, from the tax revenue deposited in the State Gaming Fund under this Section, \$5,000,000 shall be paid annually, subject to appropriation, to the host municipality of that owners licensee of a license issued or re-issued pursuant to Section 7.1 of this Act before January 1, 2012. Payments received by the host municipality pursuant to this subsection (b-4) may not be shared with any other unit of local government.

(b-5) Beginning on the effective date of this amendatory Act of the 101st General Assembly, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 3% of adjusted gross receipts generated by each organization gaming facility located outside Madison County shall be paid monthly, subject to appropriation by the General Assembly, to a municipality other than the Village of Stickney in which each organization gaming facility is located or, if the organization gaming facility is not located within a municipality, to the county in which the organization gaming facility is located, except as otherwise provided in this Section. From the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 3% of adjusted gross receipts generated by an organization gaming facility located in the Village of Stickney shall be paid monthly, subject to appropriation by the General Assembly, as follows: 25% to the Village of Stickney, 5% to the City of Berwyn, 50% to the Town of Cicero, and 20% to the Stickney Public Health District.

From the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by an organization gaming facility located in the City of Collinsville

shall be paid monthly, subject to appropriation by the General Assembly, as follows: 30% to the City of Alton, 30% to the City of East St. Louis, and 40% to the City of Collinsville.

Municipalities and counties may refund any portion of the payment that they receive pursuant to this subsection (b-5) to the organization gaming facility.

(b-6) Beginning on the effective date of this amendatory Act of the 101st General Assembly, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 2% of adjusted gross receipts generated by an organization gaming facility located outside Madison County shall be paid monthly, subject to appropriation by the General Assembly, to the county in which the organization gaming facility is located for the purposes of its criminal justice system or health care system.

Counties may refund any portion of the payment that they receive pursuant to this subsection (b-6) to the organization gaming facility.

(b-7) From the tax revenue from the organization gaming licensee located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or Worth, an amount equal to 5% of the adjusted gross receipts generated by that organization gaming licensee shall be remitted monthly, subject to appropriation, as follows: 2% to the unit of local government in which the organization gaming licensee is located, and 3% shall be distributed: (A) in accordance with a regional capital development plan entered into by the following communities: Village of Beecher, City of Blue Island, Village of Burnham, City of Calumet City, Village of Calumet Park, City of Chicago Heights, City of Country Club Hills, Village of Dixmoor, Village of Dolton, Village of East Hazel Crest, Village of Flossmoor, Village of Ford Heights, Village of Glenwood, City of Harvey, Village of Hazel Crest, Village of Homewood, Village of Lansing, Village of Lynwood, City of Markham, Village of Matteson, Village of Midlothian, City of Oak Forest, Village of Olympia Fields, Village of Orland Hills, Village of Orland Park, City of Palos Heights, Village of Park Forest, Village of Phoenix, Village of Posen, Village of Richton Park, Village of Riverdale, Village of Robbins, Village of Sauk Village, Village of South Chicago Heights, Village of South Holland, Village of Steger, Village of Thornton, Village of Tinley Park, and Village of University Park; or (B) if no regional capital development plan exists, equally among the communities listed in item (A) to be used for capital expenditures or public pension payments, or both.

(b-8) In lieu of the payments under subsection (b) of this Section, the tax revenue from the privilege tax imposed by subsection (a-5.5) shall be paid monthly, subject to appropriation by the General Assembly, to the City of Chicago and shall be expended or obligated by the City of Chicago for pension payments in accordance with Public Act 99-506.

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Board (i) for the administration and enforcement of this Act and the Video Gaming Act, (ii) for distribution to the Department of State Police and to the Department of Revenue for the enforcement of this Act, and the Video Gaming Act, and (iii) to the Department of Human Services for the administration of programs to treat problem gambling. The Board's annual appropriations request must separately state its funding needs for the regulation of gaming authorized under Section 7.7, riverboat gaming, casino gaming, video gaming, and sports wagering.

(c-2) An amount equal to 2% of the adjusted gross receipts generated by an organization gaming facility located within a home rule county with a population of over 3,000,000 inhabitants shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the organization gaming licensee is located for the purpose of enhancing the county's criminal justice system.

(c-3) Appropriations, as approved by the General Assembly, may be made from the tax revenue deposited into the State Gaming Fund from organization gaming licensees pursuant to this Section for the administration and enforcement of this Act.

(c-4) After payments required under subsections (b), (b-5), (b-6), (b-7), (c), (c-2), and (c-3) have been made from the tax revenue from organization gaming licensees deposited into the State Gaming Fund under this Section, all remaining amounts from organization gaming licensees shall be transferred into the Capital Projects Fund.

(c-5) (Blank). Before May 26, 2006 (the effective date of Public Act 94-804) and beginning on the effective date of this amendatory Act of the 95th General Assembly, unless any organization licensee under the Illinois Horse Racing Act of 1975 begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, after the payments required under subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund into the Horse Racing Equity Fund.

(c-10) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid into the Horse Racing Equity Fund pursuant to subsection (c-5) in the prior calendar year.

(c-15) After the payments required under subsections (b), (c), and (c-5) have been made, an amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to each home rule county with a population of over 3,000,000 inhabitants for the purpose of enhancing the county's criminal justice system.

(c-20) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid to each home rule county with a population of over 3,000,000 inhabitants pursuant to subsection (c-15) in the prior calendar year.

(c-21) After the payments required under subsections (b), (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), and (c-4) have been made, an amount equal to 2% of the adjusted gross receipts generated by the owners licensee under paragraph (1) of subsection (e-5) of Section 7 shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the owners licensee is located for the purpose of enhancing the county's criminal justice system.

(c-22) After the payments required under subsections (b), (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), (c-4), and (c-21) have been made, an amount equal to 2% of the adjusted gross receipts generated by the owners licensee under paragraph (5) of subsection (e-5) of Section 7 shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the owners licensee is located for the purpose of enhancing the county's criminal justice system.

(c-25) ~~From~~ ~~On~~ July 1, 2013 and each July 1 thereafter ~~through~~ July 1, 2019, \$1,600,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

On July 1, 2020 and each July 1 thereafter, \$3,000,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

(c-30) On July 1, 2013 or as soon as possible thereafter, \$92,000,000 shall be transferred from the State Gaming Fund to the School Infrastructure Fund and \$23,000,000 shall be transferred from the State Gaming Fund to the Horse Racing Equity Fund.

(c-35) Beginning on July 1, 2013, in addition to any amount transferred under subsection (c-30) of this Section, \$5,530,000 shall be transferred monthly from the State Gaming Fund to the School Infrastructure Fund.

(d) From time to time, the Board shall transfer the remainder of the funds generated by this Act into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(e) Nothing in this Act shall prohibit the unit of local government designated as the home dock of the riverboat from entering into agreements with other units of local government in this State or in other states to share its portion of the tax revenue.

(f) To the extent practicable, the Board shall administer and collect the wagering taxes imposed by this Section in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 98-18, eff. 6-7-13.)

(230 ILCS 10/14) (from Ch. 120, par. 2414)

Sec. 14. Licensees - Records - Reports - Supervision.

(a) Licensed owners and organization gaming licensees ~~A licensed owner~~ shall keep his books and records so as to clearly show the following:

- (1) The amount received daily from admission fees.
- (2) The total amount of gross receipts.
- (3) The total amount of the adjusted gross receipts.

(b) Licensed owners and organization gaming licensees ~~The licensed owner~~ shall furnish to the Board reports and information as the Board may require with respect to its activities on forms designed and supplied for such purpose by the Board.

(c) The books and records kept by a licensed owner as provided by this Section are public records and the examination, publication, and dissemination of the books and records are governed by the provisions of The Freedom of Information Act.

(Source: P.A. 86-1029.)

(230 ILCS 10/15) (from Ch. 120, par. 2415)

Sec. 15. Audit of Licensee Operations. Annually, the licensed owner, ~~or manager~~, or organization gaming licensee shall transmit to the Board an audit of the financial transactions and condition of the licensee's ~~or manager's~~ total operations. Additionally, within 90 days after the end of each quarter of each fiscal year, the licensed owner, ~~or manager~~, or organization gaming licensee shall transmit to the Board a compliance report on engagement procedures determined by the Board. All audits and compliance engagements shall be conducted by certified public accountants selected by the Board. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Accounting Act. The compensation for each certified public accountant shall be paid directly by the licensed owner, ~~or manager~~, or organization gaming licensee to the certified public accountant.

(Source: P.A. 96-1392, eff. 1-1-11.)

(230 ILCS 10/17) (from Ch. 120, par. 2417)

Sec. 17. Administrative Procedures. The Illinois Administrative Procedure Act shall apply to all administrative rules and procedures of the Board under this Act ~~and~~ ~~or~~ the Video Gaming Act, except that: (1) subsection (b) of Section 5-10 of the Illinois Administrative Procedure Act does not apply to final orders, decisions and opinions of the Board; (2) subsection (a) of Section 5-10 of the Illinois Administrative Procedure Act does not apply to forms established by the Board for use under this Act ~~and~~ ~~or~~ the Video Gaming Act; (3) the provisions of Section 10-45 of the Illinois Administrative Procedure Act regarding proposals for decision are excluded under this Act ~~and~~ ~~or~~ the Video Gaming Act; and (4) the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act do not apply so as to prevent summary suspension of any license pending revocation or other action, which suspension shall remain in effect unless modified by the Board or unless the Board's decision is reversed on the merits upon judicial review.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

Sec. 17.1. Judicial Review.

(a) Jurisdiction and venue for the judicial review of a final order of the Board relating to licensed owners, suppliers, organization gaming licensees, and ~~or~~ special event licenses is vested in the Appellate Court of the judicial district in which Sangamon County is located. A petition for judicial review of a final order of the Board must be filed in the Appellate Court, within 35 days from the date that a copy of the decision sought to be reviewed was served upon the party affected by the decision.

(b) Judicial review of all other final orders of the Board shall be conducted in accordance with the Administrative Review Law.

(Source: P.A. 88-1.)

(230 ILCS 10/18) (from Ch. 120, par. 2418)

Sec. 18. Prohibited Activities - Penalty.

(a) A person is guilty of a Class A misdemeanor for doing any of the following:

(1) Conducting gambling where wagering is used or to be used without a license issued by the Board.

(2) Conducting gambling where wagering is permitted other than in the manner specified by Section 11.

(b) A person is guilty of a Class B misdemeanor for doing any of the following:

(1) permitting a person under 21 years to make a wager; or

(2) violating paragraph (12) of subsection (a) of Section 11 of this Act.

(c) A person wagering or accepting a wager at any location outside the riverboat, casino, or organization gaming facility in violation of paragraph ~~is subject to the penalties in paragraphs (1) or (2) of subsection (a) of Section 28-1 of the Criminal Code of 2012 is subject to the penalties provided in that Section.~~

(d) A person commits a Class 4 felony and, in addition, shall be barred for life from gambling operations ~~riverboats~~ under the jurisdiction of the Board, if the person does any of the following:

(1) Offers, promises, or gives anything of value or benefit to a person who is connected with a riverboat ~~or casino~~ owner or organization gaming licensee, including, but not limited to, an officer or employee of a licensed owner, organization gaming licensee, or holder of an occupational license pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(2) Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with a riverboat, casino, or organization gaming facility, including, but not limited to, an officer or employee of a licensed owner or organization gaming licensee, ~~or the holder of an occupational license~~, pursuant to an understanding or arrangement or with the intent that the

promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(3) Uses or possesses with the intent to use a device to assist:

(i) In projecting the outcome of the game.

(ii) In keeping track of the cards played.

(iii) In analyzing the probability of the occurrence of an event relating to the gambling game.

(iv) In analyzing the strategy for playing or betting to be used in the game except as permitted by the Board.

(4) Cheats at a gambling game.

(5) Manufactures, sells, or distributes any cards, chips, dice, game or device which is intended to be used to violate any provision of this Act.

(6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players.

(7) Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome.

(8) Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won.

(9) Uses counterfeit chips or tokens in a gambling game.

(10) Possesses any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of a gambling game. This paragraph (10) does not apply to a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment.

(e) The possession of more than one of the devices described in subsection (d), paragraphs (3), (5), or (10) permits a rebuttable presumption that the possessor intended to use the devices for cheating.

(f) A person under the age of 21 who, except as authorized under paragraph (10) of Section 11, enters upon a riverboat or in a casino or organization gaming facility commits a petty offense and is subject to a fine of not less than \$100 or more than \$250 for a first offense and of not less than \$200 or more than \$500 for a second or subsequent offense.

An action to prosecute any crime occurring on a riverboat shall be tried in the county of the dock at which the riverboat is based. An action to prosecute any crime occurring in a casino or organization gaming facility shall be tried in the county in which the casino or organization gaming facility is located.

(Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

(230 ILCS 10/18.1)

Sec. 18.1. Distribution of certain fines. If a fine is imposed on an owners ~~owner~~ licensee or an organization gaming licensee for knowingly sending marketing or promotional materials to any person placed on the self-exclusion list, then the Board shall distribute an amount equal to 15% of the fine imposed to the unit of local government in which the casino, riverboat, or organization gaming facility is located for the purpose of awarding grants to non-profit entities that assist gambling addicts.

(Source: P.A. 96-224, eff. 8-11-09.)

(230 ILCS 10/19) (from Ch. 120, par. 2419)

Sec. 19. Forfeiture of property.

(a) Except as provided in subsection (b), any riverboat, casino, or organization gaming facility used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 2012. Every gambling device found on a riverboat, in a casino, or at an organization gaming facility operating gambling games in violation of this Act and every slot machine and video game of chance found at an organization gaming facility operating gambling games in violation of this Act shall be subject to seizure, confiscation and destruction as provided in Section 28-5 of the Criminal Code of 2012.

(b) It is not a violation of this Act for a riverboat or other watercraft which is licensed for gaming by a contiguous state to dock on the shores of this State if the municipality having jurisdiction of the shores, or the county in the case of unincorporated areas, has granted permission for docking and no gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State. No gambling device shall be subject to seizure, confiscation or destruction if the gambling device is located on a riverboat or other watercraft which is licensed for gaming by a contiguous state and which is docked on

the shores of this State if the municipality having jurisdiction of the shores, or the county in the case of unincorporated areas, has granted permission for docking and no gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State.

(Source: P.A. 97-1150, eff. 1-25-13.)

(230 ILCS 10/20) (from Ch. 120, par. 2420)

Sec. 20. Prohibited activities - civil penalties. Any person who conducts a gambling operation without first obtaining a license to do so, or who continues to conduct such games after revocation of his license, or any licensee who conducts or allows to be conducted any unauthorized gambling games on a riverboat, in a casino, or at an organization gaming facility where it is authorized to conduct its riverboat gambling operation, in addition to other penalties provided, shall be subject to a civil penalty equal to the amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted on that day as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games.

(Source: P.A. 86-1029.)

(230 ILCS 10/24)

Sec. 24. Applicability of ~~this Illinois Riverboat Gambling Act~~. The provisions of ~~this the Illinois Riverboat Gambling Act~~, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the 2 Acts. In the event of a conflict between this Act and the Video Gaming Act, the terms of this Act shall prevail.

(Source: P.A. 96-37, eff. 7-13-09.)

Section 35-60. The Video Gaming Act is amended by changing Sections 5, 15, 20, 25, 45, 60, 79, and 80 as follows:

(230 ILCS 40/5)

Sec. 5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"Credit" means one, 5, 10, or 25 cents either won or purchased by a player.

"Distributor" means an individual, partnership, corporation, or limited liability company licensed under this Act to buy, sell, lease, or distribute video gaming terminals or major components or parts of video gaming terminals to or from terminal operators.

"Electronic card" means a card purchased from a licensed establishment, licensed fraternal establishment, licensed veterans establishment, or licensed truck stop establishment for use in that establishment as a substitute for cash in the conduct of gaming on a video gaming terminal.

"Electronic voucher" means a voucher printed by an electronic video game machine that is redeemable in the licensed establishment for which it was issued.

"In-location bonus jackpot" means one or more video gaming terminals at a single licensed establishment that allows for wagers placed on such video gaming terminals to contribute to a cumulative maximum jackpot of up to \$10,000.

"Terminal operator" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that owns, services, and maintains video gaming terminals for placement in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, or licensed veterans establishments.

"Licensed technician" means an individual who is licensed under this Act to repair, service, and maintain video gaming terminals.

"Licensed terminal handler" means a person, including but not limited to an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator, who is licensed under this Act to possess or control a video gaming terminal or to have access to the inner workings of a video gaming terminal. A licensed terminal handler does not include an individual, partnership, corporation, or limited liability company defined as a manufacturer, distributor, supplier, technician, or terminal operator under this Act.

"Manufacturer" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that manufactures or assembles video gaming terminals.

"Supplier" means an individual, partnership, corporation, or limited liability company that is licensed under this Act to supply major components or parts to video gaming terminals to licensed terminal operators.

"Net terminal income" means money put into a video gaming terminal minus credits paid out to players.

"Video gaming terminal" means any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board

utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

"Licensed establishment" means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises, whether the establishment operates on a nonprofit or for-profit basis. "Licensed establishment" includes any such establishment that has a contractual relationship with an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975, provided any contractual relationship shall not include any transfer or offer of revenue from the operation of video gaming under this Act to any licensee licensed under the Illinois Horse Racing Act of 1975. Provided, however, that the licensed establishment that has such a contractual relationship with an inter-track wagering location licensee may not, itself, be (i) an inter-track wagering location licensee, (ii) the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975, or (iii) the corporate subsidiary of a corporation that is also the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975. "Licensed establishment" does not include a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or a riverboat licensed under the Illinois Riverboat Gambling Act, except as provided in this paragraph. The changes made to this definition by Public Act 98-587 are declarative of existing law.

"Licensed fraternal establishment" means the location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

"Licensed veterans establishment" means the location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

"Licensed truck stop establishment" means a facility located within 3 road miles from a freeway interchange, as measured in accordance with the Department of Transportation's rules regarding the criteria for the installation of business signs: (i) that is at least a 3-acre facility with a convenience store, (ii) with separate diesel islands for fueling commercial motor vehicles, (iii) that sells at retail more than 50,000 40,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 50,000 40,000 gallons per month.

(Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/15)

Sec. 15. Minimum requirements for licensing and registration. Every video gaming terminal offered for play shall first be tested and approved pursuant to the rules of the Board, and each video gaming terminal offered in this State for play shall conform to an approved model. For the examination of video gaming machines and associated equipment as required by this Section, the Board ~~shall~~ may utilize the services of ~~one or more~~ independent outside testing laboratories that have been accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement signifying they are qualified to ~~by a national accreditation body and that, in the judgment of the Board, are qualified to~~ perform such examinations. Notwithstanding any law to the contrary, the Board shall consider the licensing of independent outside testing laboratory applicants in accordance with procedures established by the Board by rule. The Board shall not withhold its approval of an independent outside testing laboratory license applicant that has been accredited as required by this Section and is licensed in gaming jurisdictions comparable to Illinois. Upon the finalization of required rules, the Board shall license independent testing laboratories and accept the test reports of any licensed testing laboratory of the video gaming machine's or associated equipment manufacturer's choice, notwithstanding the existence of contracts between the Board and any independent testing laboratory. Every video gaming terminal offered in this State for play must meet minimum standards ~~set by an independent outside testing laboratory~~ approved by the Board. Each approved model shall, at a minimum, meet the following criteria:

(1) It must conform to all requirements of federal law and regulations, including FCC Class A Emissions Standards.

(2) It must theoretically pay out a mathematically demonstrable percentage during the expected lifetime of the machine of all amounts played, which must not be less than 80%. The Board shall establish a maximum payout percentage for approved models by rule. Video gaming terminals that may be affected by skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(3) It must use a random selection process to determine the outcome of each play of a

game. The random selection process must meet 99% confidence limits using a standard chi-squared test for (randomness) goodness of fit.

(4) It must display an accurate representation of the game outcome.

(5) It must not automatically alter pay tables or any function of the video gaming terminal based on internal computation of hold percentage or have any means of manipulation that affects the random selection process or probabilities of winning a game.

(6) It must not be adversely affected by static discharge or other electromagnetic interference.

(7) It must be capable of detecting and displaying the following conditions during idle states or on demand: power reset; door open; and door just closed.

(8) It must have the capacity to display complete play history (outcome, intermediate play steps, credits available, bets placed, credits paid, and credits cashed out) for the most recent game played and 10 games prior thereto.

(9) The theoretical payback percentage of a video gaming terminal must not be capable of being changed without making a hardware or software change in the video gaming terminal, either on site or via the central communications system.

(10) Video gaming terminals must be designed so that replacement of parts or modules required for normal maintenance does not necessitate replacement of the electromechanical meters.

(11) It must have nonresettable meters housed in a locked area of the terminal that keep a permanent record of all cash inserted into the machine, all winnings made by the terminal printer, credits played in for video gaming terminals, and credits won by video gaming players. The video gaming terminal must provide the means for on-demand display of stored information as determined by the Board.

(12) Electronically stored meter information required by this Section must be preserved for a minimum of 180 days after a power loss to the service.

(13) It must have one or more mechanisms that accept cash in the form of bills. The mechanisms shall be designed to prevent obtaining credits without paying by stringing, slamming, drilling, or other means. If such attempts at physical tampering are made, the video gaming terminal shall suspend itself from operating until reset.

(14) It shall have accounting software that keeps an electronic record which includes, but is not limited to, the following: total cash inserted into the video gaming terminal; the value of winning tickets claimed by players; the total credits played; the total credits awarded by a video gaming terminal; and pay back percentage credited to players of each video game.

(15) It shall be linked by a central communications system to provide auditing program information as approved by the Board. The central communications system shall use a standard industry protocol, as defined by the Gaming Standards Association, and shall have the functionality to enable the Board or its designee to activate or deactivate individual gaming devices from the central communications system. In no event may the communications system approved by the Board limit participation to only one manufacturer of video gaming terminals by either the cost in implementing the necessary program modifications to communicate or the inability to communicate with the central communications system.

(16) The Board, in its discretion, may require video gaming terminals to display Amber Alert messages if the Board makes a finding that it would be economically and technically feasible and pose no risk to the integrity and security of the central communications system and video gaming terminals.

Licensed terminal handlers shall have access to video gaming terminals, including, but not limited to, logic door access, without the physical presence or supervision of the Board or its agent to perform, in coordination with and with project approval from the central communication system provider:

(i) the clearing of the random access memory and reprogramming of the video gaming terminal;

(ii) the installation of new video gaming terminal software and software upgrades that have been approved by the Board;

(iii) the placement, connection to the central communication system, and go-live operation of video gaming terminals at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment;

(iv) the repair and maintenance of a video gaming terminal located at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, including, but not limited to, the replacement of the video gaming terminal with a new video gaming terminal;

(v) the temporary movement, disconnection, replacement, and reconnection of video gaming terminals to allow for physical improvements and repairs at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, such as replacement of flooring, interior repairs, and other similar activities; and

(vi) such other functions as the Board may otherwise authorize.

The Board shall, at a licensed terminal operator's expense, cause all keys and other required devices to be provided to a terminal operator necessary to allow the licensed terminal handler access to the logic door to the terminal operator's video gaming terminals.

The Board may adopt rules to establish additional criteria to preserve the integrity and security of video gaming in this State. The central communications system vendor may be licensed as a video gaming terminal manufacturer or a video gaming terminal distributor, or both, but in no event shall the central communications system vendor be licensed as a video gaming terminal operator.

The Board shall not permit the development of information or the use by any licensee of gaming device or individual game performance data. Nothing in this Act shall inhibit or prohibit the Board from the use of gaming device or individual game performance data in its regulatory duties. The Board shall adopt rules to ensure that all licensees are treated and all licensees act in a non-discriminatory manner and develop processes and penalties to enforce those rules.

(Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/20)

Sec. 20. Video gaming terminal payouts ~~Direct dispensing of receipt tickets only.~~

(a) A video gaming terminal may not directly dispense coins, cash, tokens, or any other article of exchange or value except for receipt tickets. Tickets shall be dispensed by pressing the ticket dispensing button on the video gaming terminal at the end of one's turn or play. The ticket shall indicate the total amount of credits and the cash award, the time of day in a 24-hour format showing hours and minutes, the date, the terminal serial number, the sequential number of the ticket, and an encrypted validation number from which the validity of the prize may be determined. The player shall turn in this ticket to the appropriate person at the licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment to receive the cash award.

(b) The cost of the credit shall be one cent, 5 cents, 10 cents, ~~or 25 cents, or \$1,~~ and the maximum wager played per hand shall not exceed ~~\$4 \$2.~~ No cash award for the maximum wager on any individual hand shall exceed ~~\$1,199 \$500.~~ No cash award for the maximum wager on a jackpot, progressive or otherwise, shall exceed \$10,000.

(c) In-location bonus jackpot games are hereby authorized. The Board shall adopt emergency rules pursuant to Section 5-45 of the Illinois Administrative Procedure Act to implement this subsection (c) within 90 days after the effective date of this amendatory Act of the 101st General Assembly. Jackpot winnings from in-location progressive games shall be paid by the terminal operator to the player not later than 3 days after winning such a jackpot.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/25)

Sec. 25. Restriction of licensees.

(a) Manufacturer. A person may not be licensed as a manufacturer of a video gaming terminal in Illinois unless the person has a valid manufacturer's license issued under this Act. A manufacturer may only sell video gaming terminals for use in Illinois to persons having a valid distributor's license.

(b) Distributor. A person may not sell, distribute, or lease or market a video gaming terminal in Illinois unless the person has a valid distributor's license issued under this Act. A distributor may only sell video gaming terminals for use in Illinois to persons having a valid distributor's or terminal operator's license.

(c) Terminal operator. A person may not own, maintain, or place a video gaming terminal unless he has a valid terminal operator's license issued under this Act. A terminal operator may only place video gaming terminals for use in Illinois in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. No terminal operator may give anything of value, including but not limited to a loan or financing arrangement, to a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment as any incentive or inducement to locate video terminals in that establishment. Of the after-tax profits from a video gaming terminal, 50% shall be paid to the terminal operator and 50% shall be paid to the licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, notwithstanding any agreement to the contrary. A video terminal operator that violates one or more requirements of this subsection is guilty of a Class 4 felony and is subject to termination of his or her license by the Board.

(d) Licensed technician. A person may not service, maintain, or repair a video gaming terminal in this State unless he or she (1) has a valid technician's license issued under this Act, (2) is a terminal operator, or (3) is employed by a terminal operator, distributor, or manufacturer.

(d-5) Licensed terminal handler. No person, including, but not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator licensed pursuant to this Act, shall have possession or control of a video gaming terminal, or access to the inner workings of a video gaming terminal, unless that person possesses a valid terminal handler's license issued under this Act.

(e) Licensed establishment. No video gaming terminal may be placed in any licensed establishment, licensed veterans establishment, licensed truck stop establishment, or licensed fraternal establishment unless the owner or agent of the owner of the licensed establishment, licensed veterans establishment, licensed truck stop establishment, or licensed fraternal establishment has entered into a written use agreement with the terminal operator for placement of the terminals. A copy of the use agreement shall be on file in the terminal operator's place of business and available for inspection by individuals authorized by the Board. A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to 6 ~~5~~ video gaming terminals on its premises at any time. A licensed truck stop establishment may operate up to 10 video gaming terminals on its premises at any time.

(f) (Blank).

(g) Financial interest restrictions. As used in this Act, "substantial interest" in a partnership, a corporation, an organization, an association, a business, or a limited liability company means:

(A) When, with respect to a sole proprietorship, an individual or his or her spouse owns, operates, manages, or conducts, directly or indirectly, the organization, association, or business, or any part thereof; or

(B) When, with respect to a partnership, the individual or his or her spouse shares in any of the profits, or potential profits, of the partnership activities; or

(C) When, with respect to a corporation, an individual or his or her spouse is an officer or director, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of any class of stock of the corporation; or

(D) When, with respect to an organization not covered in (A), (B) or (C) above, an individual or his or her spouse is an officer or manages the business affairs, or the individual or his or her spouse is the owner of or otherwise controls 10% or more of the assets of the organization; or

(E) When an individual or his or her spouse furnishes 5% or more of the capital, whether in cash, goods, or services, for the operation of any business, association, or organization during any calendar year; or

(F) When, with respect to a limited liability company, an individual or his or her spouse is a member, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of the membership interest of the limited liability company.

For purposes of this subsection (g), "individual" includes all individuals or their spouses whose combined interest would qualify as a substantial interest under this subsection (g) and whose activities with respect to an organization, association, or business are so closely aligned or coordinated as to constitute the activities of a single entity.

(h) Location restriction. A licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that is (i) located within 1,000 feet of a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Illinois Riverboat ~~Gambling~~ Act or (ii) located within 100 feet of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal. The location restrictions in this subsection (h) do not apply if (A) a facility operated by an organization licensee, a school, or a place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment becomes licensed under this Act or (B) a school or place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment obtains its original liquor license. For the purpose of this subsection, "school" means an elementary or secondary public school, or an elementary or secondary private school registered with or recognized by the State Board of Education.

Notwithstanding the provisions of this subsection (h), the Board may waive the requirement that a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment not be located within 1,000 feet from a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the

Illinois Riverboat Gambling Act. The Board shall not grant such waiver if there is any common ownership or control, shared business activity, or contractual arrangement of any type between the establishment and the organization licensee or owners licensee of a riverboat. The Board shall adopt rules to implement the provisions of this paragraph.

(h-5) Restrictions on licenses in malls. The Board shall not grant an application to become a licensed video gaming location if the Board determines that granting the application would more likely than not cause a terminal operator, individually or in combination with other terminal operators, licensed video gaming location, or other person or entity, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation.

(1) In making determinations under this subsection (h-5), factors to be considered by the Board shall include, but not be limited to, the following:

(A) the physical aspects of the location;

(B) the ownership, control, or management of the location;

(C) any arrangements, understandings, or agreements, written or otherwise, among or involving any persons or entities that involve the conducting of any video gaming business or the sharing of costs or revenues; and

(D) the manner in which any terminal operator or other related entity markets, advertises, or otherwise describes any location or locations to any other person or entity or to the public.

(2) The Board shall presume, subject to rebuttal, that the granting of an application to become a licensed video gaming location within a mall will cause a terminal operator, individually or in combination with other persons or entities, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation if the Board determines that granting the license would create a local concentration of licensed video gaming locations.

For the purposes of this subsection (h-5):

"Mall" means a building, or adjoining or connected buildings, containing 4 or more separate locations.

"Video gaming operation" means the conducting of video gaming and all related activities.

"Location" means a space within a mall containing a separate business, a place for a separate business, or a place subject to a separate leasing arrangement by the mall owner.

"Licensed video gaming location" means a licensed establishment, licensed fraternal establishment, licensed veterans establishment, or licensed truck stop.

"Local concentration of licensed video gaming locations" means that the combined number of licensed video gaming locations within a mall exceed half of the separate locations within the mall.

(i) Undue economic concentration. In addition to considering all other requirements under this Act, in deciding whether to approve the operation of video gaming terminals by a terminal operator in a location, the Board shall consider the impact of any economic concentration of such operation of video gaming terminals. The Board shall not allow a terminal operator to operate video gaming terminals if the Board determines such operation will result in undue economic concentration. For purposes of this Section, "undue economic concentration" means that a terminal operator would have such actual or potential influence over video gaming terminals in Illinois as to:

(1) substantially impede or suppress competition among terminal operators;

(2) adversely impact the economic stability of the video gaming industry in Illinois; or

(3) negatively impact the purposes of the Video Gaming Act.

The Board shall adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in Illinois. The rules shall include, but not be limited to, (i) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and (ii) guidelines on the discontinuation of operation of any such video gaming terminals the Board determines will cause undue economic concentration.

(j) The provisions of the Illinois Antitrust Act are fully and equally applicable to the activities of any licensee under this Act.

(Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77, eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/45)

Sec. 45. Issuance of license.

(a) The burden is upon each applicant to demonstrate his suitability for licensure. Each video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall be licensed by the Board. The Board may issue or deny a license under this Act to any person pursuant to the same criteria set forth in Section 9 of the Illinois Riverboat Gambling Act.

(a-5) The Board shall not grant a license to a person who has facilitated, enabled, or participated in the use of coin-operated devices for gambling purposes or who is under the significant influence or control of such a person. For the purposes of this Act, "facilitated, enabled, or participated in the use of coin-operated amusement devices for gambling purposes" means that the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012. If there is pending legal action against a person for any such violation, then the Board shall delay the licensure of that person until the legal action is resolved.

(b) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall submit to a background investigation conducted by the Board with the assistance of the State Police or other law enforcement. To the extent that the corporate structure of the applicant allows, the background investigation shall include any or all of the following as the Board deems appropriate or as provided by rule for each category of licensure: (i) each beneficiary of a trust, (ii) each partner of a partnership, (iii) each member of a limited liability company, (iv) each director and officer of a publicly or non-publicly held corporation, (v) each stockholder of a non-publicly held corporation, (vi) each stockholder of 5% or more of a publicly held corporation, or (vii) each stockholder of 5% or more in a parent or subsidiary corporation.

(c) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall disclose the identity of every person, association, trust, corporation, or limited liability company having a greater than 1% direct or indirect pecuniary interest in the video gaming terminal operation for which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a limited liability company, the names and addresses of all members; or if a partnership, the names and addresses of all partners, both general and limited.

(d) No person may be licensed as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment if that person has been found by the Board to:

- (1) have a background, including a criminal record, reputation, habits, social or business associations, or prior activities that pose a threat to the public interests of the State or to the security and integrity of video gaming;
- (2) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; or
- (3) present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(e) Any applicant for any license under this Act has the burden of proving his or her qualifications to the satisfaction of the Board. The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in this State.

(f) A non-refundable application fee shall be paid at the time an application for a license is filed with the Board in the following amounts:

- (1) Manufacturer.....\$5,000
- (2) Distributor.....\$5,000
- (3) Terminal operator.....\$5,000
- (4) Supplier.....\$2,500
- (5) Technician.....\$100
- (6) Terminal Handler.....\$100
- (7) Licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment.....\$100

- (g) The Board shall establish an annual fee for each license not to exceed the following:
- (1) Manufacturer.....\$10,000
 - (2) Distributor.....\$10,000
 - (3) Terminal operator.....\$5,000
 - (4) Supplier.....\$2,000
 - (5) Technician.....\$100
 - (6) Licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment.....\$100
 - (7) Video gaming terminal.....\$100

(8) Terminal Handler.....\$100

(h) A terminal operator and a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall equally split the fees specified in item (7) of subsection (g).

(Source: P.A. 100-1152, eff. 12-14-18.)

(230 ILCS 40/60)

Sec. 60. Imposition and distribution of tax.

(a) A tax of 30% is imposed on net terminal income and shall be collected by the Board.

(b) Of the tax collected under this subsection (a) Section, five-sixths shall be deposited into the Capital Projects Fund and one-sixth shall be deposited into the Local Government Video Gaming Distributive Fund.

(b) Beginning on July 1, 2019, an additional tax of 3% is imposed on net terminal income and shall be collected by the Board.

Beginning on July 1, 2020, an additional tax of 1% is imposed on net terminal income and shall be collected by the Board.

The tax collected under this subsection (b) shall be deposited into the Capital Projects Fund.

(c) Revenues generated from the play of video gaming terminals shall be deposited by the terminal operator, who is responsible for tax payments, in a specially created, separate bank account maintained by the video gaming terminal operator to allow for electronic fund transfers of moneys for tax payment.

(d) Each licensed establishment, licensed truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall maintain an adequate video gaming fund, with the amount to be determined by the Board.

(e) The State's percentage of net terminal income shall be reported and remitted to the Board within 15 days after the 15th day of each month and within 15 days after the end of each month by the video terminal operator. A video terminal operator who falsely reports or fails to report the amount due required by this Section is guilty of a Class 4 felony and is subject to termination of his or her license by the Board. Each video terminal operator shall keep a record of net terminal income in such form as the Board may require. All payments not remitted when due shall be paid together with a penalty assessment on the unpaid balance at a rate of 1.5% per month.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/79)

Sec. 79. Investigators. Investigators appointed by the Board pursuant to the powers conferred upon the Board by paragraph (20.6) of subsection (c) of Section 5 of the ~~Illinois Riverboat~~ Gambling Act and Section 80 of this Act shall have authority to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and the ~~Illinois Riverboat~~ Gambling Act, as deemed necessary by the Board. These investigators have and may exercise all of the rights and powers of peace officers, provided that these powers shall be (1) limited to offenses or violations occurring or committed in connection with conduct subject to this Act, including, but not limited to, the manufacture, distribution, supply, operation, placement, service, maintenance, or play of video gaming terminals and the distribution of profits and collection of revenues resulting from such play, and (2) exercised, to the fullest extent practicable, in cooperation with the local police department of the applicable municipality or, if these powers are exercised outside the boundaries of an incorporated municipality or within a municipality that does not have its own police department, in cooperation with the police department whose jurisdiction encompasses the applicable locality.

(Source: P.A. 97-809, eff. 7-13-12.)

(230 ILCS 40/80)

Sec. 80. Applicability of ~~Illinois Riverboat~~ Gambling Act. The provisions of the ~~Illinois Riverboat~~ Gambling Act, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the 2 Acts. In the event of a conflict between the 2 Acts, the provisions of the Illinois Gambling Act shall prevail. All current supplier licensees under the ~~Illinois Riverboat~~ Gambling Act shall be entitled to licensure under the Video Gaming Act as manufacturers, distributors, or suppliers without additional Board investigation or approval, except by vote of the Board; however, they are required to pay application and annual fees under this Act. All provisions of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 100-1152, eff. 12-14-18.)

Section 35-65. The Liquor Control Act of 1934 is amended by changing Sections 5-1 and 6-30 as follows:

(235 ILCS 5/5-1) (from Ch. 43, par. 115)

Sec. 5-1. Licenses issued by the Illinois Liquor Control Commission shall be of the following classes:

- (a) Manufacturer's license - Class 1. Distiller, Class 2. Rectifier, Class 3. Brewer, Class 4. First Class Wine Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6. First Class Winemaker, Class 7. Second Class Winemaker, Class 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class 10. Class 1 Brewer, Class 11. Class 2 Brewer,
- (b) Distributor's license,
- (c) Importing Distributor's license,
- (d) Retailer's license,
- (e) Special Event Retailer's license (not-for-profit),
- (f) Railroad license,
- (g) Boat license,
- (h) Non-Beverage User's license,
- (i) Wine-maker's premises license,
- (j) Airplane license,
- (k) Foreign importer's license,
- (l) Broker's license,
- (m) Non-resident dealer's license,
- (n) Brew Pub license,
- (o) Auction liquor license,
- (p) Caterer retailer license,
- (q) Special use permit license,
- (r) Winery shipper's license,
- (s) Craft distiller tasting permit,
- (t) Brewer warehouse permit.

No person, firm, partnership, corporation, or other legal business entity that is engaged in the manufacturing of wine may concurrently obtain and hold a wine-maker's license and a wine manufacturer's license.

(a) A manufacturer's license shall allow the manufacture, importation in bulk, storage, distribution and sale of alcoholic liquor to persons without the State, as may be permitted by law and to licensees in this State as follows:

Class 1. A Distiller may make sales and deliveries of alcoholic liquor to distillers, rectifiers, importing distributors, distributors and non-beverage users and to no other licensees.

Class 2. A Rectifier, who is not a distiller, as defined herein, may make sales and deliveries of alcoholic liquor to rectifiers, importing distributors, distributors, retailers and non-beverage users and to no other licensees.

Class 3. A Brewer may make sales and deliveries of beer to importing distributors and distributors and may make sales as authorized under subsection (e) of Section 6-4 of this Act.

Class 4. A first class wine-manufacturer may make sales and deliveries of up to 50,000 gallons of wine to manufacturers, importing distributors and distributors, and to no other licensees.

Class 5. A second class Wine manufacturer may make sales and deliveries of more than 50,000 gallons of wine to manufacturers, importing distributors and distributors and to no other licensees.

Class 6. A first-class wine-maker's license shall allow the manufacture of up to 50,000 gallons of wine per year, and the storage and sale of such wine to distributors in the State and to persons without the State, as may be permitted by law. A person who, prior to June 1, 2008 (the effective date of Public Act 95-634), is a holder of a first-class wine-maker's license and annually produces more than 25,000 gallons of its own wine and who distributes its wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with Public Act 95-634.

Class 7. A second-class wine-maker's license shall allow the manufacture of between 50,000 and 150,000 gallons of wine per year, and the storage and sale of such wine to distributors in this State and to persons without the State, as may be permitted by law. A person who, prior to June 1, 2008 (the effective date of Public Act 95-634), is a holder of a second-class wine-maker's license and annually produces more than 25,000 gallons of its own wine and who distributes its wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with Public Act 95-634.

Class 8. A limited wine-manufacturer may make sales and deliveries not to exceed 40,000 gallons of wine per year to distributors, and to non-licensees in accordance with the provisions of this Act.

Class 9. A craft distiller license shall allow the manufacture of up to 100,000 gallons of spirits by distillation per year and the storage of such spirits. If a craft distiller licensee, including a craft distiller licensee who holds more than one craft distiller license, is not affiliated with any other manufacturer of

spirits, then the craft distiller licensee may sell such spirits to distributors in this State and up to 2,500 gallons of such spirits to non-licensees to the extent permitted by any exemption approved by the Commission pursuant to Section 6-4 of this Act. A craft distiller license holder may store such spirits at a non-contiguous licensed location, but at no time shall a craft distiller license holder directly or indirectly produce in the aggregate more than 100,000 gallons of spirits per year.

A craft distiller licensee may hold more than one craft distiller's license. However, a craft distiller that holds more than one craft distiller license shall not manufacture, in the aggregate, more than 100,000 gallons of spirits by distillation per year and shall not sell, in the aggregate, more than 2,500 gallons of such spirits to non-licensees in accordance with an exemption approved by the State Commission pursuant to Section 6-4 of this Act.

Any craft distiller licensed under this Act who on July 28, 2010 (the effective date of Public Act 96-1367) was licensed as a distiller and manufactured no more spirits than permitted by this Section shall not be required to pay the initial licensing fee.

Class 10. A class 1 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 930,000 gallons of beer per year provided that the class 1 brewer licensee does not manufacture more than a combined 930,000 gallons of beer per year and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 930,000 gallons of beer per year or any other alcoholic liquor. A class 1 brewer licensee may make sales and deliveries to importing distributors and distributors and to retail licensees in accordance with the conditions set forth in paragraph (18) of subsection (a) of Section 3-12 of this Act. If the State Commission provides prior approval, a class 1 brewer may annually transfer up to 930,000 gallons of beer manufactured by that class 1 brewer to the premises of a licensed class 1 brewer wholly owned and operated by the same licensee.

Class 11. A class 2 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 3,720,000 gallons of beer per year provided that the class 2 brewer licensee does not manufacture more than a combined 3,720,000 gallons of beer per year and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or any other alcoholic liquor. A class 2 brewer licensee may make sales and deliveries to importing distributors and distributors, but shall not make sales or deliveries to any other licensee. If the State Commission provides prior approval, a class 2 brewer licensee may annually transfer up to 3,720,000 gallons of beer manufactured by that class 2 brewer licensee to the premises of a licensed class 2 brewer wholly owned and operated by the same licensee.

A class 2 brewer may transfer beer to a brew pub wholly owned and operated by the class 2 brewer subject to the following limitations and restrictions: (i) the transfer shall not annually exceed more than 31,000 gallons; (ii) the annual amount transferred shall reduce the brew pub's annual permitted production limit; (iii) all beer transferred shall be subject to Article VIII of this Act; (iv) a written record shall be maintained by the brewer and brew pub specifying the amount, date of delivery, and receipt of the product by the brew pub; and (v) the brew pub shall be located no farther than 80 miles from the class 2 brewer's licensed location.

A class 2 brewer shall, prior to transferring beer to a brew pub wholly owned by the class 2 brewer, furnish a written notice to the State Commission of intent to transfer beer setting forth the name and address of the brew pub and shall annually submit to the State Commission a verified report identifying the total gallons of beer transferred to the brew pub wholly owned by the class 2 brewer.

(a-1) A manufacturer which is licensed in this State to make sales or deliveries of alcoholic liquor to licensed distributors or importing distributors and which enlists agents, representatives, or individuals acting on its behalf who contact licensed retailers on a regular and continual basis in this State must register those agents, representatives, or persons acting on its behalf with the State Commission.

Registration of agents, representatives, or persons acting on behalf of a manufacturer is fulfilled by submitting a form to the Commission. The form shall be developed by the Commission and shall include the name and address of the applicant, the name and address of the manufacturer he or she represents, the territory or areas assigned to sell to or discuss pricing terms of alcoholic liquor, and any other questions deemed appropriate and necessary. All statements in the forms required to be made by law or by rule shall be deemed material, and any person who knowingly misstates any material fact under oath in an application is guilty of a Class B misdemeanor. Fraud, misrepresentation, false statements, misleading statements, evasions, or suppression of material facts in the securing of a registration are grounds for suspension or revocation of the registration. The State Commission shall post a list of registered agents on the Commission's website.

(b) A distributor's license shall allow the wholesale purchase and storage of alcoholic liquors and sale of alcoholic liquors to licensees in this State and to persons without the State, as may be permitted by law,

and the sale of beer, cider, or both beer and cider to brewers, class 1 brewers, and class 2 brewers that, pursuant to subsection (e) of Section 6-4 of this Act, sell beer, cider, or both beer and cider to non-licensees at their breweries. No person licensed as a distributor shall be granted a non-resident dealer's license.

(c) An importing distributor's license may be issued to and held by those only who are duly licensed distributors, upon the filing of an application by a duly licensed distributor, with the Commission and the Commission shall, without the payment of any fee, immediately issue such importing distributor's license to the applicant, which shall allow the importation of alcoholic liquor by the licensee into this State from any point in the United States outside this State, and the purchase of alcoholic liquor in barrels, casks or other bulk containers and the bottling of such alcoholic liquors before resale thereof, but all bottles or containers so filled shall be sealed, labeled, stamped and otherwise made to comply with all provisions, rules and regulations governing manufacturers in the preparation and bottling of alcoholic liquors. The importing distributor's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers and foreign importers only. No person licensed as an importing distributor shall be granted a non-resident dealer's license.

(d) A retailer's license shall allow the licensee to sell and offer for sale at retail, only in the premises specified in the license, alcoholic liquor for use or consumption, but not for resale in any form. Nothing in Public Act 95-634 shall deny, limit, remove, or restrict the ability of a holder of a retailer's license to transfer, deliver, or ship alcoholic liquor to the purchaser for use or consumption subject to any applicable local law or ordinance. Any retail license issued to a manufacturer shall only permit the manufacturer to sell beer at retail on the premises actually occupied by the manufacturer. For the purpose of further describing the type of business conducted at a retail licensed premises, a retailer's licensee may be designated by the State Commission as (i) an on premise consumption retailer, (ii) an off premise sale retailer, or (iii) a combined on premise consumption and off premise sale retailer.

Notwithstanding any other provision of this subsection (d), a retail licensee may sell alcoholic liquors to a special event retailer licensee for resale to the extent permitted under subsection (e).

(e) A special event retailer's license (not-for-profit) shall permit the licensee to purchase alcoholic liquors from an Illinois licensed distributor (unless the licensee purchases less than \$500 of alcoholic liquors for the special event, in which case the licensee may purchase the alcoholic liquors from a licensed retailer) and shall allow the licensee to sell and offer for sale, at retail, alcoholic liquors for use or consumption, but not for resale in any form and only at the location and on the specific dates designated for the special event in the license. An applicant for a special event retailer license must (i) furnish with the application: (A) a resale number issued under Section 2c of the Retailers' Occupation Tax Act or evidence that the applicant is registered under Section 2a of the Retailers' Occupation Tax Act, (B) a current, valid exemption identification number issued under Section 1g of the Retailers' Occupation Tax Act, and a certification to the Commission that the purchase of alcoholic liquors will be a tax-exempt purchase, or (C) a statement that the applicant is not registered under Section 2a of the Retailers' Occupation Tax Act, does not hold a resale number under Section 2c of the Retailers' Occupation Tax Act, and does not hold an exemption number under Section 1g of the Retailers' Occupation Tax Act, in which event the Commission shall set forth on the special event retailer's license a statement to that effect; (ii) submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance in the maximum limits; and (iii) show proof satisfactory to the State Commission that the applicant has obtained local authority approval.

Nothing in this Act prohibits an Illinois licensed distributor from offering credit or a refund for unused, salable alcoholic liquors to a holder of a special event retailer's license or from the special event retailer's licensee from accepting the credit or refund of alcoholic liquors at the conclusion of the event specified in the license.

(f) A railroad license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on a club, buffet, lounge or dining car operated on an electric, gas or steam railway in this State; and provided further, that railroad licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. A railroad license shall also permit the licensee to sell or dispense alcoholic liquors on any club, buffet, lounge or dining car operated on an electric, gas or steam railway regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A license shall be obtained for each car in which such sales are made.

(g) A boat license shall allow the sale of alcoholic liquor in individual drinks, on any passenger boat regularly operated as a common carrier on navigable waters in this State or on any riverboat operated under the ~~Illinois Riverboat~~ Gambling Act, which boat or riverboat maintains a public dining room or restaurant thereon.

(h) A non-beverage user's license shall allow the licensee to purchase alcoholic liquor from a licensed manufacturer or importing distributor, without the imposition of any tax upon the business of such licensed manufacturer or importing distributor as to such alcoholic liquor to be used by such licensee solely for the non-beverage purposes set forth in subsection (a) of Section 8-1 of this Act, and such licenses shall be divided and classified and shall permit the purchase, possession and use of limited and stated quantities of alcoholic liquor as follows:

- Class 1, not to exceed 500 gallons
- Class 2, not to exceed 1,000 gallons
- Class 3, not to exceed 5,000 gallons
- Class 4, not to exceed 10,000 gallons
- Class 5, not to exceed 50,000 gallons

(i) A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license not more than 50,000 gallons of the first-class wine-maker's wine that is made at the first-class wine-maker's licensed premises per year for use or consumption, but not for resale in any form. A wine-maker's premises license shall allow a licensee who concurrently holds a second-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license up to 100,000 gallons of the second-class wine-maker's wine that is made at the second-class wine-maker's licensed premises per year for use or consumption but not for resale in any form. A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license or a second-class wine-maker's license to sell and offer for sale at retail at the premises specified in the wine-maker's premises license, for use or consumption but not for resale in any form, any beer, wine, and spirits purchased from a licensed distributor. Upon approval from the State Commission, a wine-maker's premises license shall allow the licensee to sell and offer for sale at (i) the wine-maker's licensed premises and (ii) at up to 2 additional locations for use and consumption and not for resale. Each location shall require additional licensing per location as specified in Section 5-3 of this Act. A wine-maker's premises licensee shall secure liquor liability insurance coverage in an amount at least equal to the maximum liability amounts set forth in subsection (a) of Section 6-21 of this Act.

(j) An airplane license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on an airplane; and provided further, that airplane licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. An airplane licensee shall also permit the sale or dispensing of alcoholic liquors on any passenger airplane regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A single airplane license shall be required of an airline company if liquor service is provided on board aircraft in this State. The annual fee for such license shall be as determined in Section 5-3.

(k) A foreign importer's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers only, and to import alcoholic liquor other than in bulk from any point outside the United States and to sell such alcoholic liquor to Illinois licensed importing distributors and to no one else in Illinois; provided that (i) the foreign importer registers with the State Commission every brand of alcoholic liquor that it proposes to sell to Illinois licensees during the license period, (ii) the foreign importer complies with all of the provisions of Section 6-9 of this Act with respect to registration of such Illinois licensees as may be granted the right to sell such brands at wholesale, and (iii) the foreign importer complies with the provisions of Sections 6-5 and 6-6 of this Act to the same extent that these provisions apply to manufacturers.

(l) (i) A broker's license shall be required of all persons who solicit orders for, offer to sell or offer to supply alcoholic liquor to retailers in the State of Illinois, or who offer to retailers to ship or cause to be shipped or to make contact with distillers, rectifiers, brewers or manufacturers or any other party within or without the State of Illinois in order that alcoholic liquors be shipped to a distributor, importing distributor or foreign importer, whether such solicitation or offer is consummated within or without the State of Illinois.

No holder of a retailer's license issued by the Illinois Liquor Control Commission shall purchase or receive any alcoholic liquor, the order for which was solicited or offered for sale to such retailer by a broker unless the broker is the holder of a valid broker's license.

The broker shall, upon the acceptance by a retailer of the broker's solicitation of an order or offer to sell or supply or deliver or have delivered alcoholic liquors, promptly forward to the Illinois Liquor Control Commission a notification of said transaction in such form as the Commission may by regulations prescribe.

(ii) A broker's license shall be required of a person within this State, other than a retail licensee, who, for a fee or commission, promotes, solicits, or accepts orders for alcoholic liquor, for use or consumption and not for resale, to be shipped from this State and delivered to residents outside of this State by an express company, common carrier, or contract carrier. This Section does not apply to any person who promotes, solicits, or accepts orders for wine as specifically authorized in Section 6-29 of this Act.

A broker's license under this subsection (l) shall not entitle the holder to buy or sell any alcoholic liquors for his own account or to take or deliver title to such alcoholic liquors.

This subsection (l) shall not apply to distributors, employees of distributors, or employees of a manufacturer who has registered the trademark, brand or name of the alcoholic liquor pursuant to Section 6-9 of this Act, and who regularly sells such alcoholic liquor in the State of Illinois only to its registrants thereunder.

Any agent, representative, or person subject to registration pursuant to subsection (a-1) of this Section shall not be eligible to receive a broker's license.

(m) A non-resident dealer's license shall permit such licensee to ship into and warehouse alcoholic liquor into this State from any point outside of this State, and to sell such alcoholic liquor to Illinois licensed foreign importers and importing distributors and to no one else in this State; provided that (i) said non-resident dealer shall register with the Illinois Liquor Control Commission each and every brand of alcoholic liquor which it proposes to sell to Illinois licensees during the license period, (ii) it shall comply with all of the provisions of Section 6-9 hereof with respect to registration of such Illinois licensees as may be granted the right to sell such brands at wholesale by duly filing such registration statement, thereby authorizing the non-resident dealer to proceed to sell such brands at wholesale, and (iii) the non-resident dealer shall comply with the provisions of Sections 6-5 and 6-6 of this Act to the same extent that these provisions apply to manufacturers. No person licensed as a non-resident dealer shall be granted a distributor's or importing distributor's license.

(n) A brew pub license shall allow the licensee to only (i) manufacture up to 155,000 gallons of beer per year only on the premises specified in the license, (ii) make sales of the beer manufactured on the premises or, with the approval of the Commission, beer manufactured on another brew pub licensed premises that is wholly owned and operated by the same licensee to importing distributors, distributors, and to non-licensees for use and consumption, (iii) store the beer upon the premises, (iv) sell and offer for sale at retail from the licensed premises for off-premises consumption no more than 155,000 gallons per year so long as such sales are only made in-person, (v) sell and offer for sale at retail for use and consumption on the premises specified in the license any form of alcoholic liquor purchased from a licensed distributor or importing distributor, and (vi) with the prior approval of the Commission, annually transfer no more than 155,000 gallons of beer manufactured on the premises to a licensed brew pub wholly owned and operated by the same licensee.

A brew pub licensee shall not under any circumstance sell or offer for sale beer manufactured by the brew pub licensee to retail licensees.

A person who holds a class 2 brewer license may simultaneously hold a brew pub license if the class 2 brewer (i) does not, under any circumstance, sell or offer for sale beer manufactured by the class 2 brewer to retail licensees; (ii) does not hold more than 3 brew pub licenses in this State; (iii) does not manufacture more than a combined 3,720,000 gallons of beer per year, including the beer manufactured at the brew pub; and (iv) is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or any other alcoholic liquor.

Notwithstanding any other provision of this Act, a licensed brewer, class 2 brewer, or non-resident dealer who before July 1, 2015 manufactured less than 3,720,000 gallons of beer per year and held a brew pub license on or before July 1, 2015 may (i) continue to qualify for and hold that brew pub license for the licensed premises and (ii) manufacture more than 3,720,000 gallons of beer per year and continue to qualify for and hold that brew pub license if that brewer, class 2 brewer, or non-resident dealer does not simultaneously hold a class 1 brewer license and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or that produces any other alcoholic liquor.

(o) A caterer retailer license shall allow the holder to serve alcoholic liquors as an incidental part of a food service that serves prepared meals which excludes the serving of snacks as the primary meal, either on or off-site whether licensed or unlicensed.

(p) An auction liquor license shall allow the licensee to sell and offer for sale at auction wine and spirits for use or consumption, or for resale by an Illinois liquor licensee in accordance with provisions of this Act. An auction liquor license will be issued to a person and it will permit the auction liquor licensee to hold the auction anywhere in the State. An auction liquor license must be obtained for each auction at least 14 days in advance of the auction date.

(q) A special use permit license shall allow an Illinois licensed retailer to transfer a portion of its alcoholic liquor inventory from its retail licensed premises to the premises specified in the license hereby created, and to sell or offer for sale at retail, only in the premises specified in the license hereby created, the transferred alcoholic liquor for use or consumption, but not for resale in any form. A special use permit license may be granted for the following time periods: one day or less; 2 or more days to a maximum of 15 days per location in any 12-month period. An applicant for the special use permit license must also submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.

(r) A winery shipper's license shall allow a person with a first-class or second-class wine manufacturer's license, a first-class or second-class wine-maker's license, or a limited wine manufacturer's license or who is licensed to make wine under the laws of another state to ship wine made by that licensee directly to a resident of this State who is 21 years of age or older for that resident's personal use and not for resale. Prior to receiving a winery shipper's license, an applicant for the license must provide the Commission with a true copy of its current license in any state in which it is licensed as a manufacturer of wine. An applicant for a winery shipper's license must also complete an application form that provides any other information the Commission deems necessary. The application form shall include all addresses from which the applicant for a winery shipper's license intends to ship wine, including the name and address of any third party, except for a common carrier, authorized to ship wine on behalf of the manufacturer. The application form shall include an acknowledgement consenting to the jurisdiction of the Commission, the Illinois Department of Revenue, and the courts of this State concerning the enforcement of this Act and any related laws, rules, and regulations, including authorizing the Department of Revenue and the Commission to conduct audits for the purpose of ensuring compliance with Public Act 95-634, and an acknowledgement that the wine manufacturer is in compliance with Section 6-2 of this Act. Any third party, except for a common carrier, authorized to ship wine on behalf of a first-class or second-class wine manufacturer's licensee, a first-class or second-class wine-maker's licensee, a limited wine manufacturer's licensee, or a person who is licensed to make wine under the laws of another state shall also be disclosed by the winery shipper's licensee, and a copy of the written appointment of the third-party wine provider, except for a common carrier, to the wine manufacturer shall be filed with the State Commission as a supplement to the winery shipper's license application or any renewal thereof. The winery shipper's license holder shall affirm under penalty of perjury, as part of the winery shipper's license application or renewal, that he or she only ships wine, either directly or indirectly through a third-party provider, from the licensee's own production.

Except for a common carrier, a third-party provider shipping wine on behalf of a winery shipper's license holder is the agent of the winery shipper's license holder and, as such, a winery shipper's license holder is responsible for the acts and omissions of the third-party provider acting on behalf of the license holder. A third-party provider, except for a common carrier, that engages in shipping wine into Illinois on behalf of a winery shipper's license holder shall consent to the jurisdiction of the State Commission and the State. Any third-party, except for a common carrier, holding such an appointment shall, by February 1 of each calendar year and upon request by the State Commission or the Department of Revenue, file with the State Commission a statement detailing each shipment made to an Illinois resident. The statement shall include the name and address of the third-party provider filing the statement, the time period covered by the statement, and the following information:

- (1) the name, address, and license number of the winery shipper on whose behalf the shipment was made;
- (2) the quantity of the products delivered; and
- (3) the date and address of the shipment.

If the Department of Revenue or the State Commission requests a statement under this paragraph, the third-party provider must provide that statement no later than 30 days after the request is made. Any books, records, supporting papers, and documents containing information and data relating to a statement under this paragraph shall be kept and preserved for a period of 3 years, unless their destruction sooner is authorized, in writing, by the Director of Revenue, and shall be open and available to inspection by the

Director of Revenue or the State Commission or any duly authorized officer, agent, or employee of the State Commission or the Department of Revenue, at all times during business hours of the day. Any person who violates any provision of this paragraph or any rule of the State Commission for the administration and enforcement of the provisions of this paragraph is guilty of a Class C misdemeanor. In case of a continuing violation, each day's continuance thereof shall be a separate and distinct offense.

The State Commission shall adopt rules as soon as practicable to implement the requirements of Public Act 99-904 and shall adopt rules prohibiting any such third-party appointment of a third-party provider, except for a common carrier, that has been deemed by the State Commission to have violated the provisions of this Act with regard to any winery shipper licensee.

A winery shipper licensee must pay to the Department of Revenue the State liquor gallonage tax under Section 8-1 for all wine that is sold by the licensee and shipped to a person in this State. For the purposes of Section 8-1, a winery shipper licensee shall be taxed in the same manner as a manufacturer of wine. A licensee who is not otherwise required to register under the Retailers' Occupation Tax Act must register under the Use Tax Act to collect and remit use tax to the Department of Revenue for all gallons of wine that are sold by the licensee and shipped to persons in this State. If a licensee fails to remit the tax imposed under this Act in accordance with the provisions of Article VIII of this Act, the winery shipper's license shall be revoked in accordance with the provisions of Article VII of this Act. If a licensee fails to properly register and remit tax under the Use Tax Act or the Retailers' Occupation Tax Act for all wine that is sold by the winery shipper and shipped to persons in this State, the winery shipper's license shall be revoked in accordance with the provisions of Article VII of this Act.

A winery shipper licensee must collect, maintain, and submit to the Commission on a semi-annual basis the total number of cases per resident of wine shipped to residents of this State. A winery shipper licensed under this subsection (r) must comply with the requirements of Section 6-29 of this Act.

Pursuant to paragraph (5.1) or (5.3) of subsection (a) of Section 3-12, the State Commission may receive, respond to, and investigate any complaint and impose any of the remedies specified in paragraph (1) of subsection (a) of Section 3-12.

As used in this subsection, "third-party provider" means any entity that provides fulfillment house services, including warehousing, packaging, distribution, order processing, or shipment of wine, but not the sale of wine, on behalf of a licensed winery shipper.

(s) A craft distiller tasting permit license shall allow an Illinois licensed craft distiller to transfer a portion of its alcoholic liquor inventory from its craft distiller licensed premises to the premises specified in the license hereby created and to conduct a sampling, only in the premises specified in the license hereby created, of the transferred alcoholic liquor in accordance with subsection (c) of Section 6-31 of this Act. The transferred alcoholic liquor may not be sold or resold in any form. An applicant for the craft distiller tasting permit license must also submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.

A brewer warehouse permit may be issued to the holder of a class 1 brewer license or a class 2 brewer license. If the holder of the permit is a class 1 brewer licensee, the brewer warehouse permit shall allow the holder to store or warehouse up to 930,000 gallons of tax-determined beer manufactured by the holder of the permit at the premises specified on the permit. If the holder of the permit is a class 2 brewer licensee, the brewer warehouse permit shall allow the holder to store or warehouse up to 3,720,000 gallons of tax-determined beer manufactured by the holder of the permit at the premises specified on the permit. Sales to non-licensees are prohibited at the premises specified in the brewer warehouse permit.

(Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff. 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17; 100-816, eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff. 8-23-18; revised 10-2-18.)

(235 ILCS 5/6-30) (from Ch. 43, par. 144f)

Sec. 6-30. Notwithstanding any other provision of this Act, the Illinois Gaming Board shall have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat during riverboat gambling excursions and in a casino conducted in accordance with the Illinois Riverboat Gambling Act.

(Source: P.A. 87-826.)

Section 35-70. The Illinois Public Aid Code is amended by changing Section 10-17.15 as follows:
(305 ILCS 5/10-17.15)

Sec. 10-17.15. Certification of information to State gaming licensees.

(a) For purposes of this Section, "State gaming licensee" means, as applicable, an organization licensee or advance deposit wagering licensee licensed under the Illinois Horse Racing Act of 1975, an owners

licensee licensed under the ~~Illinois Riverboat~~ Gambling Act, or a licensee that operates, under any law of this State, one or more facilities or gaming locations at which lawful gambling is authorized and licensed as provided in the ~~Illinois Riverboat~~ Gambling Act.

(b) The Department may provide, by rule, for certification to any State gaming licensee of past due child support owed by a responsible relative under a support order entered by a court or administrative body of this or any other State on behalf of a resident or non-resident receiving child support services under this Article in accordance with the requirements of Title IV-D, Part D, of the Social Security Act. The State gaming licensee shall have the ability to withhold from winnings required to be reported to the Internal Revenue Service on Form W-2G, up to the full amount of winnings necessary to pay the winner's past due child support. The rule shall provide for notice to and an opportunity to be heard by each responsible relative affected and any final administrative decision rendered by the Department shall be reviewed only under and in accordance with the Administrative Review Law.

(c) For withholding of winnings, the State gaming licensee shall be entitled to an administrative fee not to exceed the lesser of 4% of the total amount of cash winnings paid to the gambling winner or \$150.

(d) In no event may the total amount withheld from the cash payout, including the administrative fee, exceed the total cash winnings claimed by the obligor. If the cash payout claimed is greater than the amount sufficient to satisfy the obligor's delinquent child support payments, the State gaming licensee shall pay the obligor the remaining balance of the payout, less the administrative fee authorized by subsection (c) of this Section, at the time it is claimed.

(e) A State gaming licensee who in good faith complies with the requirements of this Section shall not be liable to the gaming winner or any other individual or entity.

(Source: P.A. 98-318, eff. 8-12-13.)

Section 35-75. The Firearm Concealed Carry Act is amended by changing Section 65 as follows:
(430 ILCS 66/65)

Sec. 65. Prohibited areas.

(a) A licensee under this Act shall not knowingly carry a firearm on or into:

(1) Any building, real property, and parking area under the control of a public or private elementary or secondary school.

(2) Any building, real property, and parking area under the control of a pre-school or child care facility, including any room or portion of a building under the control of a pre-school or child care facility. Nothing in this paragraph shall prevent the operator of a child care facility in a family home from owning or possessing a firearm in the home or license under this Act, if no child under child care at the home is present in the home or the firearm in the home is stored in a locked container when a child under child care at the home is present in the home.

(3) Any building, parking area, or portion of a building under the control of an officer of the executive or legislative branch of government, provided that nothing in this paragraph shall prohibit a licensee from carrying a concealed firearm onto the real property, bikeway, or trail in a park regulated by the Department of Natural Resources or any other designated public hunting area or building where firearm possession is permitted as established by the Department of Natural Resources under Section 1.8 of the Wildlife Code.

(4) Any building designated for matters before a circuit court, appellate court, or the Supreme Court, or any building or portion of a building under the control of the Supreme Court.

(5) Any building or portion of a building under the control of a unit of local government.

(6) Any building, real property, and parking area under the control of an adult or juvenile detention or correctional institution, prison, or jail.

(7) Any building, real property, and parking area under the control of a public or private hospital or hospital affiliate, mental health facility, or nursing home.

(8) Any bus, train, or form of transportation paid for in whole or in part with public funds, and any building, real property, and parking area under the control of a public transportation facility paid for in whole or in part with public funds.

(9) Any building, real property, and parking area under the control of an establishment that serves alcohol on its premises, if more than 50% of the establishment's gross receipts within the prior 3 months is from the sale of alcohol. The owner of an establishment who knowingly fails to prohibit concealed firearms on its premises as provided in this paragraph or who knowingly makes a false statement or record to avoid the prohibition on concealed firearms under this paragraph is subject to the penalty under subsection (c-5) of Section 10-1 of the Liquor Control Act of 1934.

(10) Any public gathering or special event conducted on property open to the public that

requires the issuance of a permit from the unit of local government, provided this prohibition shall not apply to a licensee who must walk through a public gathering in order to access his or her residence, place of business, or vehicle.

(11) Any building or real property that has been issued a Special Event Retailer's license as defined in Section 1-3.17.1 of the Liquor Control Act during the time designated for the sale of alcohol by the Special Event Retailer's license, or a Special use permit license as defined in subsection (q) of Section 5-1 of the Liquor Control Act during the time designated for the sale of alcohol by the Special use permit license.

(12) Any public playground.

(13) Any public park, athletic area, or athletic facility under the control of a municipality or park district, provided nothing in this Section shall prohibit a licensee from carrying a concealed firearm while on a trail or bikeway if only a portion of the trail or bikeway includes a public park.

(14) Any real property under the control of the Cook County Forest Preserve District.

(15) Any building, classroom, laboratory, medical clinic, hospital, artistic venue, athletic venue, entertainment venue, officially recognized university-related organization property, whether owned or leased, and any real property, including parking areas, sidewalks, and common areas under the control of a public or private community college, college, or university.

(16) Any building, real property, or parking area under the control of a gaming facility licensed under the ~~Illinois Riverboat~~ Gambling Act or the Illinois Horse Racing Act of 1975, including an inter-track wagering location licensee.

(17) Any stadium, arena, or the real property or parking area under the control of a stadium, arena, or any collegiate or professional sporting event.

(18) Any building, real property, or parking area under the control of a public library.

(19) Any building, real property, or parking area under the control of an airport.

(20) Any building, real property, or parking area under the control of an amusement park.

(21) Any building, real property, or parking area under the control of a zoo or museum.

(22) Any street, driveway, parking area, property, building, or facility, owned, leased, controlled, or used by a nuclear energy, storage, weapons, or development site or facility regulated by the federal Nuclear Regulatory Commission. The licensee shall not under any circumstance store a firearm or ammunition in his or her vehicle or in a compartment or container within a vehicle located anywhere in or on the street, driveway, parking area, property, building, or facility described in this paragraph.

(23) Any area where firearms are prohibited under federal law.

(a-5) Nothing in this Act shall prohibit a public or private community college, college, or university from:

(1) prohibiting persons from carrying a firearm within a vehicle owned, leased, or controlled by the college or university;

(2) developing resolutions, regulations, or policies regarding student, employee, or visitor misconduct and discipline, including suspension and expulsion;

(3) developing resolutions, regulations, or policies regarding the storage or maintenance of firearms, which must include designated areas where persons can park vehicles that carry firearms; and

(4) permitting the carrying or use of firearms for the purpose of instruction and curriculum of officially recognized programs, including but not limited to military science and law enforcement training programs, or in any designated area used for hunting purposes or target shooting.

(a-10) The owner of private real property of any type may prohibit the carrying of concealed firearms on the property under his or her control. The owner must post a sign in accordance with subsection (d) of this Section indicating that firearms are prohibited on the property, unless the property is a private residence.

(b) Notwithstanding subsections (a), (a-5), and (a-10) of this Section except under paragraph (22) or (23) of subsection (a), any licensee prohibited from carrying a concealed firearm into the parking area of a prohibited location specified in subsection (a), (a-5), or (a-10) of this Section shall be permitted to carry a concealed firearm on or about his or her person within a vehicle into the parking area and may store a firearm or ammunition concealed in a case within a locked vehicle or locked container out of plain view within the vehicle in the parking area. A licensee may carry a concealed firearm in the immediate area surrounding his or her vehicle within a prohibited parking lot area only for the limited purpose of storing or retrieving a firearm within the vehicle's trunk. For purposes of this subsection, "case" includes a glove

compartment or console that completely encloses the concealed firearm or ammunition, the trunk of the vehicle, or a firearm carrying box, shipping box, or other container.

(c) A licensee shall not be in violation of this Section while he or she is traveling along a public right of way that touches or crosses any of the premises under subsection (a), (a-5), or (a-10) of this Section if the concealed firearm is carried on his or her person in accordance with the provisions of this Act or is being transported in a vehicle by the licensee in accordance with all other applicable provisions of law.

(d) Signs stating that the carrying of firearms is prohibited shall be clearly and conspicuously posted at the entrance of a building, premises, or real property specified in this Section as a prohibited area, unless the building or premises is a private residence. Signs shall be of a uniform design as established by the Department and shall be 4 inches by 6 inches in size. The Department shall adopt rules for standardized signs to be used under this subsection.

(Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)

Section 35-80. The Criminal Code of 2012 is amended by changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as follows:

(720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

Sec. 28-1. Gambling.

(a) A person commits gambling when he or she:

(1) knowingly plays a game of chance or skill for money or other thing of value, unless excepted in subsection (b) of this Section;

(2) knowingly makes a wager upon the result of any game, contest, or any political nomination, appointment or election;

(3) knowingly operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device;

(4) contracts to have or give himself or herself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, where it is at the time of making such contract intended by both parties thereto that the contract to buy or sell, or the option, whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered with the Secretary of State pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the meaning of this paragraph (4);

(5) knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager;

(6) knowingly sells pools upon the result of any game or contest of skill or chance, political nomination, appointment or election;

(7) knowingly sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery;

(8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device;

(9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or

(12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by

means of the Internet. This item (12) does not apply to activities referenced in items (6) and (6.1) of subsection (b) of this Section.

(b) Participants in any of the following activities shall not be convicted of gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance.

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of this State.

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law. This exemption includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of the Illinois Lottery Law and its rules.

(6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.

(7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique slot machine is one manufactured 25 years ago or earlier.

(8) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act.

(9) Charitable games when conducted in accordance with the Charitable Games Act.

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.

(11) Gambling games conducted on riverboats when authorized by the Illinois Riverboat Gambling Act.

(12) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act.

(13) Games of skill or chance where money or other things of value can be won but no payment or purchase is required to participate.

(14) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(c) Sentence.

Gambling is a Class A misdemeanor. A second or subsequent conviction under subsections (a)(3) through (a)(12), is a Class 4 felony.

(d) Circumstantial evidence.

In prosecutions under this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

Sec. 28-1.1. Syndicated gambling.

(a) Declaration of Purpose. Recognizing the close relationship between professional gambling and other organized crime, it is declared to be the policy of the legislature to restrain persons from engaging in the business of gambling for profit in this State. This Section shall be liberally construed and administered with a view to carrying out this policy.

(b) A person commits syndicated gambling when he or she operates a "policy game" or engages in the business of bookmaking.

(c) A person "operates a policy game" when he or she knowingly uses any premises or property for the purpose of receiving or knowingly does receive from what is commonly called "policy":

(1) money from a person other than the bettor or player whose bets or plays are represented by the money; or

(2) written "policy game" records, made or used over any period of time, from a person other than the bettor or player whose bets or plays are represented by the written record.

(d) A person engages in bookmaking when he or she knowingly receives or accepts more than five bets or wagers upon the result of any trials or contests of skill, speed or power of endurance or upon any lot, chance, casualty, unknown or contingent event whatsoever, which bets or wagers shall be of such size that the total of the amounts of money paid or promised to be paid to the bookmaker on account thereof shall exceed \$2,000. Bookmaking is the receiving or accepting of bets or wagers regardless of the form or manner in which the bookmaker records them.

(e) Participants in any of the following activities shall not be convicted of syndicated gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance;

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in the contest;

(3) Pari-mutuel betting as authorized by law of this State;

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when the transportation is not prohibited by any applicable Federal law;

(5) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act;

(6) Gambling games conducted on riverboats, in casinos, or at organization gaming facilities when authorized by the Illinois Riverboat Gambling Act;

(7) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act; and

(8) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(f) Sentence. Syndicated gambling is a Class 3 felony.
(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

Sec. 28-3. Keeping a Gambling Place. A "gambling place" is any real estate, vehicle, boat or any other property whatsoever used for the purposes of gambling other than gambling conducted in the manner authorized by the Illinois Riverboat Gambling Act or the Video Gaming Act. Any person who knowingly permits any premises or property owned or occupied by him or under his control to be used as a gambling place commits a Class A misdemeanor. Each subsequent offense is a Class 4 felony. When any premises is determined by the circuit court to be a gambling place:

(a) Such premises is a public nuisance and may be proceeded against as such, and

(b) All licenses, permits or certificates issued by the State of Illinois or any subdivision or public agency thereof authorizing the serving of food or liquor on such premises shall be void; and no license, permit or certificate so cancelled shall be reissued for such premises for a period of 60 days thereafter; nor shall any person convicted of keeping a gambling place be reissued such license for one year from his conviction and, after a second conviction of keeping a gambling place, any such person shall not be reissued such license, and

(c) Such premises of any person who knowingly permits thereon a violation of any Section of this Article shall be held liable for, and may be sold to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied under any Section of this Article.

(Source: P.A. 96-34, eff. 7-13-09.)

(720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

Sec. 28-5. Seizure of gambling devices and gambling funds.

(a) Every device designed for gambling which is incapable of lawful use or every device used unlawfully for gambling shall be considered a "gambling device", and shall be subject to seizure, confiscation and destruction by the Department of State Police or by any municipal, or other local authority, within whose jurisdiction the same may be found. As used in this Section, a "gambling device" includes any slot machine, and includes any machine or device constructed for the reception of money or other thing of value and so constructed as to return, or to cause someone to return, on chance to the player thereof money, property or a right to receive money or property. With the exception of any device designed for gambling which is incapable of lawful use, no gambling device shall be forfeited or destroyed unless an individual with a property interest in said device knows of the unlawful use of the device.

(b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.

(c) If, within 60 days after any seizure pursuant to subparagraph (b) of this Section, a person having any property interest in the seized property is charged with an offense, the court which renders judgment upon such charge shall, within 30 days after such judgment, conduct a forfeiture hearing to determine whether such property was a gambling device at the time of seizure. Such hearing shall be commenced by a written petition by the State, including material allegations of fact, the name and address of every person determined by the State to have any property interest in the seized property, a representation that written notice of the date, time and place of such hearing has been mailed to every such person by certified mail at least 10 days before such date, and a request for forfeiture. Every such person may appear as a party and present evidence at such hearing. The quantum of proof required shall be a preponderance of the evidence, and the burden of proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, an order of forfeiture and disposition of the seized property shall be entered: a gambling device shall be received by the State's Attorney, who shall effect its destruction, except that valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county wherein such seizure occurred; money and other things of value shall be received by the State's Attorney and, upon liquidation, shall be deposited in the general fund of the county wherein such seizure occurred. However, in the event that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph (b) (7) of Section 28-1 of this Code and therefore he is exempt from the charge of a gambling activity participant, the seized antique slot machine shall not be destroyed or otherwise altered until a final determination is made by the Court as to whether it is such an antique slot machine. Upon a final determination by the Court of this question in favor of the defendant, such slot machine shall be immediately returned to the defendant. Such order of forfeiture and disposition shall, for the purposes of appeal, be a final order and judgment in a civil proceeding.

(d) If a seizure pursuant to subparagraph (b) of this Section is not followed by a charge pursuant to subparagraph (c) of this Section, or if the prosecution of such charge is permanently terminated or indefinitely discontinued without any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture and destruction of a gambling device, or for the forfeiture and deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) any person having any property interest in such seized gambling device, money or other thing of value may commence separate civil proceedings in the manner provided by law.

(e) Any gambling device displayed for sale to a riverboat gambling operation, casino gambling operation, or organization gaming facility or used to train occupational licensees of a riverboat gambling operation, casino gambling operation, or organization gaming facility as authorized under the Illinois Riverboat Gambling Act is exempt from seizure under this Section.

(f) Any gambling equipment, devices, and supplies provided by a licensed supplier in accordance with the Illinois Riverboat Gambling Act which are removed from a the riverboat, casino, or organization gaming facility for repair are exempt from seizure under this Section.

(g) The following video gaming terminals are exempt from seizure under this Section:

(1) Video gaming terminals for sale to a licensed distributor or operator under the Video Gaming Act.

(2) Video gaming terminals used to train licensed technicians or licensed terminal handlers.

(3) Video gaming terminals that are removed from a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment for repair.

(h) Property seized or forfeited under this Section is subject to reporting under the Seizure and Forfeiture Reporting Act.

(Source: P.A. 100-512, eff. 7-1-18.)

(720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

Sec. 28-7. Gambling contracts void.

(a) All promises, notes, bills, bonds, covenants, contracts, agreements, judgments, mortgages, or other securities or conveyances made, given, granted, drawn, or entered into, or executed by any person whatsoever, where the whole or any part of the consideration thereof is for any money or thing of value, won or obtained in violation of any Section of this Article are null and void.

(b) Any obligation void under this Section may be set aside and vacated by any court of competent jurisdiction, upon a complaint filed for that purpose, by the person so granting, giving, entering into, or executing the same, or by his executors or administrators, or by any creditor, heir, legatee, purchaser or

other person interested therein; or if a judgment, the same may be set aside on motion of any person stated above, on due notice thereof given.

(c) No assignment of any obligation void under this Section may in any manner affect the defense of the person giving, granting, drawing, entering into or executing such obligation, or the remedies of any person interested therein.

(d) This Section shall not prevent a licensed owner of a riverboat gambling operation, a casino gambling operation, or an organization gaming licensee under the Illinois Gambling Act and the Illinois Horse Racing Act of 1975 from instituting a cause of action to collect any amount due and owing under an extension of credit to a ~~riverboat~~ gambling patron as authorized under Section 11.1 of the Illinois Riverboat Gambling Act.

(Source: P.A. 87-826.)

Section 35-85. The Payday Loan Reform Act is amended by changing Section 3-5 as follows:
(815 ILCS 122/3-5)

Sec. 3-5. Licensure.

(a) A license to make a payday loan shall state the address, including city and state, at which the business is to be conducted and shall state fully the name of the licensee. The license shall be conspicuously posted in the place of business of the licensee and shall not be transferable or assignable.

(b) An application for a license shall be in writing and in a form prescribed by the Secretary. The Secretary may not issue a payday loan license unless and until the following findings are made:

(1) that the financial responsibility, experience, character, and general fitness of the applicant are such as to command the confidence of the public and to warrant the belief that the business will be operated lawfully and fairly and within the provisions and purposes of this Act; and

(2) that the applicant has submitted such other information as the Secretary may deem necessary.

(c) A license shall be issued for no longer than one year, and no renewal of a license may be provided if a licensee has substantially violated this Act and has not cured the violation to the satisfaction of the Department.

(d) A licensee shall appoint, in writing, the Secretary as attorney-in-fact upon whom all lawful process against the licensee may be served with the same legal force and validity as if served on the licensee. A copy of the written appointment, duly certified, shall be filed in the office of the Secretary, and a copy thereof certified by the Secretary shall be sufficient evidence to subject a licensee to jurisdiction in a court of law. This appointment shall remain in effect while any liability remains outstanding in this State against the licensee. When summons is served upon the Secretary as attorney-in-fact for a licensee, the Secretary shall immediately notify the licensee by registered mail, enclosing the summons and specifying the hour and day of service.

(e) A licensee must pay an annual fee of \$1,000. In addition to the license fee, the reasonable expense of any examination or hearing by the Secretary under any provisions of this Act shall be borne by the licensee. If a licensee fails to renew its license by December 1, its license shall automatically expire; however, the Secretary, in his or her discretion, may reinstate an expired license upon:

(1) payment of the annual fee within 30 days of the date of expiration; and

(2) proof of good cause for failure to renew.

(f) Not more than one place of business shall be maintained under the same license, but the Secretary may issue more than one license to the same licensee upon compliance with all the provisions of this Act governing issuance of a single license. The location, except those locations already in existence as of June 1, 2005, may not be within one mile of a horse race track subject to the Illinois Horse Racing Act of 1975, within one mile of a facility at which gambling is conducted under the Illinois Riverboat Gambling Act, within one mile of the location at which a riverboat subject to the Illinois Riverboat Gambling Act docks, or within one mile of any State of Illinois or United States military base or naval installation.

(g) No licensee shall conduct the business of making loans under this Act within any office, suite, room, or place of business in which (1) any loans are offered or made under the Consumer Installment Loan Act other than title secured loans as defined in subsection (a) of Section 15 of the Consumer Installment Loan Act and governed by Title 38, Section 110.330 of the Illinois Administrative Code or (2) any other business is solicited or engaged in unless the other business is licensed by the Department or, in the opinion of the Secretary, the other business would not be contrary to the best interests of consumers and is authorized by the Secretary in writing.

(g-5) Notwithstanding subsection (g) of this Section, a licensee may obtain a license under the Consumer Installment Loan Act (CILA) for the exclusive purpose and use of making title secured loans, as defined in subsection (a) of Section 15 of CILA and governed by Title 38, Section 110.300 of the Illinois

Administrative Code. A licensee may continue to service Consumer Installment Loan Act loans that were outstanding as of the effective date of this amendatory Act of the 96th General Assembly.

(h) The Secretary shall maintain a list of licensees that shall be available to interested consumers and lenders and the public. The Secretary shall maintain a toll-free number whereby consumers may obtain information about licensees. The Secretary shall also establish a complaint process under which an aggrieved consumer may file a complaint against a licensee or non-licensee who violates any provision of this Act.

(Source: P.A. 100-958, eff. 8-19-18.)

Section 35-90. The Travel Promotion Consumer Protection Act is amended by changing Section 2 as follows:

(815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

Sec. 2. Definitions.

(a) "Travel promoter" means a person, including a tour operator, who sells, provides, furnishes, contracts for, arranges or advertises that he or she will arrange wholesale or retail transportation by air, land, sea or navigable stream, either separately or in conjunction with other services. "Travel promoter" does not include (1) an air carrier; (2) a sea carrier; (3) an officially appointed agent of an air carrier who is a member in good standing of the Airline Reporting Corporation; (4) a travel promoter who has in force \$1,000,000 or more of liability insurance coverage for professional errors and omissions and a surety bond or equivalent surety in the amount of \$100,000 or more for the benefit of consumers in the event of a bankruptcy on the part of the travel promoter; or (5) a riverboat subject to regulation under the Illinois Riverboat Gambling Act.

(b) "Advertise" means to make any representation in the solicitation of passengers and includes communication with other members of the same partnership, corporation, joint venture, association, organization, group or other entity.

(c) "Passenger" means a person on whose behalf money or other consideration has been given or is to be given to another, including another member of the same partnership, corporation, joint venture, association, organization, group or other entity, for travel.

(d) "Ticket or voucher" means a writing or combination of writings which is itself good and sufficient to obtain transportation and other services for which the passenger has contracted.

(Source: P.A. 91-357, eff. 7-29-99.)

(30 ILCS 105/5.490 rep.)

Section 35-95. The State Finance Act is amended by repealing Section 5.490.

(230 ILCS 5/2.1 rep.) (230 ILCS 5/54 rep.)

Section 35-100. The Illinois Horse Racing Act of 1975 is amended by repealing Sections 2.1 and 54.

Article 99. Severability; Effective Date

Section 99-95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 99-97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 99-99. Effective date. This Act takes effect upon becoming law, except that the changes made to Section 2 of the Use Tax Act take effect on January 1, 2020."

AMENDMENT NO. 3 TO SENATE BILL 690

AMENDMENT NO. 3. Amend Senate Bill 690, AS AMENDED, by replacing everything after the enacting clause with the following:

"Article 5. Leveling the Playing Field for Illinois Retail Act

Section 5-1. Short title. This Article may be cited as the Leveling the Playing Field for Illinois Retail Act. References in this Article to "this Act" means this Article.

Section 5-5. Findings. The General Assembly finds that certified service providers and certified automated systems simplify use and occupation tax compliance for out-of-state sellers, which fosters higher levels of accurate tax collection and remittance and generates administrative savings and new marginal tax revenue for both State and local taxing jurisdictions. By making the services of certified service providers and certified automated systems available to remote retailers without charge as provided in this Act, the State will substantially eliminate the burden on those remote retailers to collect and remit both State and local taxing jurisdiction use and occupation taxes. While providing a means for remote retailers to collect and remit tax on an even basis with Illinois retailers, this Act also protects existing local tax revenue streams by retaining origin sourcing for all transactions by retailers maintaining a physical presence in Illinois.

Section 5-10. Definitions. As used in this Act:

"Certified service provider" means an agent certified by the Department to perform the remote retailer's use and occupation tax functions, as outlined in the contract between the State and the certified service provider.

"Certified automated system" means an automated software system that is certified by the State as meeting all performance and tax calculation standards required by Department rules.

"Department" means the Department of Revenue.

"Remote retailer" means a retailer as defined in Section 1 of the Retailers' Occupation Tax Act that has an obligation to collect State and local retailers' occupation tax under subsection (b) of Section 2 of the Retailers' Occupation Tax Act.

"Retailers' occupation tax" means the tax levied under the Retailers' Occupation Tax Act and all applicable local retailers' occupation taxes collected by the Department in conjunction with the State retailers' occupation tax.

Section 5-15. Certification of certified service providers. The Department shall, no later than December 31, 2019, establish standards for the certification of certified service providers and certified automated systems and may act jointly with other states to accomplish these ends.

The Department may take other actions reasonably required to implement the provisions of this Act, including the adoption of rules and emergency rules and the procurement of goods and services, which also may be coordinated jointly with other states.

Section 5-20. Provision of databases. The Department shall, no later than July 1, 2020:

- (1) provide and maintain an electronic, downloadable database of defined product categories that identifies the taxability of each category;
- (2) provide and maintain an electronic, downloadable database of all retailers' occupation tax rates for the jurisdictions in this State that levy a retailers' occupation tax; and
- (3) provide and maintain an electronic, downloadable database that assigns delivery addresses in this State to the applicable taxing jurisdictions.

Section 5-25. Certification. The Department shall, no later than July 1, 2020:

- (1) provide uniform minimum standards that companies wishing to be designated as a certified service provider in this State must meet; those minimum standards must include an expedited certification process for companies that have been certified in at least 5 other states;
- (2) provide uniform minimum standards that certified automated systems must meet; those minimum standards may include an expedited certification process for automated systems that have been certified in at least 5 other states;
- (3) establish a certification process to review the systems of companies wishing to be designated as a certified service provider in this State or of companies wishing to use a certified automated process; this certification process shall provide that companies that meet all required standards and whose systems have been tested and approved by the Department for properly determining the taxability of items to be sold, the correct tax rate to apply to a transaction, and the appropriate jurisdictions to which the tax shall be remitted, shall be certified;
- (4) enter into a contractual relationship with each company that qualifies as a certified service provider or that will be using a certified automated system; those contracts shall, at a minimum, provide:
 - (A) the responsibilities of the certified service provider and the remote retailers

that contract with the certified service provider or the user of a certified automated system related to liability for proper collection and remittance of use and occupation taxes;

(B) the responsibilities of the certified service provider and the remote retailers that contract with the certified service provider or the user of a certified service provider related to record keeping and auditing;

(C) for the protection and confidentiality of tax information; and

(D) compensation equal to 1.75% of the tax dollars collected and remitted to the

State by a certified service provider on a timely basis on behalf of remote retailers; remote retailers using a certified service provider may not claim the vendor's discount allowed under the Retailers' Occupation Tax Act or the Service Occupation Tax Act.

The provisions of this Section shall supersede the provisions of the Illinois Procurement Code.

Section 5-30. Relief from liability. Beginning January 1, 2020, remote retailers using certified service providers or certified automated systems and their certified service providers or certified automated systems providers are relieved from liability to the State for having charged and collected the incorrect amount of use or occupation tax resulting from a certified service provider or certified automated system relying, at the time of the sale, on: (1) erroneous data provided by the State in database files on tax rates, boundaries, or taxing jurisdictions; or (2) erroneous data provided by the State concerning the taxability of products and services.

The Department shall, to the best of its ability, assign addresses to the proper local taxing jurisdiction using a 9-digit zip code identifier. On an annual basis, the Department shall make available to local taxing jurisdictions the taxing jurisdiction boundaries determined by the Department for their verification. If a jurisdiction fails to verify their taxing jurisdiction boundaries to the Department in any given year, the Department shall assign retailers' occupation tax revenue from remote retail sales based on its best information. In that case, tax revenues from remote retail sales remitted to a taxing jurisdiction based on erroneous local tax boundary information will be assigned to the correct taxing jurisdiction on a prospective basis upon notice of the boundary error from a local taxing jurisdiction. No certified service provider or remote retailer using a certified automated system shall be subject to a class action brought on behalf of customers and arising from, or in any way related to, an overpayment of retailers' occupation tax collected by the certified service provider if, at the time of the sale, they relied on information provided by the Department, regardless of whether that claim is characterized as a tax refund claim. Nothing in this Section affects a customer's right to seek a refund from the remote retailer as provided in this Act.

Section 5-97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Article 10. Parking Excise Tax Act

Section 10-1. Short title. This Article may be cited as the Parking Excise Tax Act. References in this Article to "this Act" mean this Article.

Section 10-5. Definitions.

"Booking intermediary" means any person or entity that facilitates the processing and fulfillment of reservation transactions between an operator and a person or entity desiring parking in a parking lot or garage of that operator.

"Charge or fee paid for parking" means the gross amount of consideration for the use or privilege of parking a motor vehicle in or upon any parking lot or garage in the State, collected by an operator and valued in money, whether received in money or otherwise, including cash, credits, property, and services, determined without any deduction for costs or expenses, but not including charges that are added to the charge or fee on account of the tax imposed by this Act or on account of any other tax imposed on the charge or fee. "Charge or fee paid for parking" excludes separately stated charges not for the use or privilege of parking and excludes amounts retained by or paid to a booking intermediary for services provided by the booking intermediary. If any separately stated charge is not optional, it shall be presumed that it is part of the charge for the use or privilege of parking.

"Department" means the Department of Revenue.

"Operator" means any person who engages in the business of operating a parking area or garage, or who, directly or through an agreement or arrangement with another party, collects the consideration for parking or storage of motor vehicles, recreational vehicles, or other self-propelled vehicles, at that parking place. This includes, but is not limited to, any facilitator or aggregator that collects from the purchaser the

charge or fee paid for parking. "Operator" does not include a bank, credit card company, payment processor, booking intermediary, or person whose involvement is limited to performing functions that are similar to those performed by a bank, credit card company, payment processor, or booking intermediary.

"Parking area or garage" means any real estate, building, structure, premises, enclosure or other place, whether enclosed or not, except a public way, within the State, where motor vehicles, recreational vehicles, or other self-propelled vehicles, are stored, housed or parked for hire, charge, fee or other valuable consideration in a condition ready for use, or where rent or compensation is paid to the owner, manager, operator or lessee of the premises for the housing, storing, sheltering, keeping or maintaining motor vehicles, recreational vehicles, or other self-propelled vehicles. "Parking area or garage" includes any parking area or garage, whether the vehicle is parked by the owner of the vehicle or by the operator or an attendant.

"Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court.

"Purchase price" means the consideration paid for the purchase of a parking space in a parking area or garage, valued in money, whether received in money or otherwise, including cash, gift cards, credits, and property, and shall be determined without any deduction on account of the cost of materials used, labor or service costs, or any other expense whatsoever.

"Purchase price" includes any and all charges that the recipient pays related to or incidental to obtaining the use or privilege of using a parking space in a parking area or garage, including but not limited to any and all related markups, service fees, convenience fees, facilitation fees, cancellation fees, overtime fees, or other such charges, regardless of terminology. However, "purchase price" shall not include consideration paid for:

- (1) optional, separately stated charges not for the use or privilege of using a parking space in the parking area or garage;
- (2) any charge for a dishonored check;
- (3) any finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment;
- (4) any purchase by a purchaser if the operator is prohibited by federal or State Constitution, treaty, convention, statute or court decision from collecting the tax from such purchaser;
- (5) the isolated or occasional sale of parking spaces subject to tax under this Act by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling of parking spaces; and
- (6) any amounts added to a purchaser's bills because of charges made pursuant to the tax imposed by this Act. If credit is extended, then the amount thereof shall be included only as and when payments are made.

"Purchaser" means any person who acquires a parking space in a parking area or garage for use for valuable consideration.

"Use" means the exercise by any person of any right or power over, or the enjoyment of, a parking space in a parking area or garage subject to tax under this Act.

Section 10-10. Imposition of tax; calculation of tax.

(a) Beginning on January 1, 2020, a tax is imposed on the privilege of using in this State a parking space in a parking area or garage for the use of parking one or more motor vehicles, recreational vehicles, or other self-propelled vehicles, at the rate of:

- (1) 6% of the purchase price for a parking space paid for on an hourly, daily, or weekly basis; and
- (2) 9% of the purchase price for a parking space paid for on a monthly or annual basis.

(b) The tax shall be collected from the purchaser by the operator.

(c) An operator that has paid or remitted the tax imposed by this Act to another operator in connection with the same parking transaction, or the use of the same parking space, that is subject to tax under this Act, shall be entitled to a credit for such tax paid or remitted against the amount of tax owed under this Act, provided that the other operator is registered under this Act. The operator claiming the credit shall have the burden of proving it is entitled to claim a credit.

(d) If any operator erroneously collects tax or collects more from the purchaser than the purchaser's liability for the transaction, the purchaser shall have a legal right to claim a refund of such amount from the operator. However, if such amount is not refunded to the purchaser for any reason, the operator is liable to pay such amount to the Department.

(e) The tax imposed by this Section is not imposed with respect to any transaction in interstate commerce, to the extent that the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

Section 10-15. Filing of returns and deposit of proceeds. On or before the last day of each calendar month, every operator engaged in the business of providing to purchasers parking areas and garages in this State during the preceding calendar month shall file a return with the Department, stating:

- (1) the name of the operator;
- (2) the address of its principal place of business and the address of the principal place of business from which it provides parking areas and garages in this State;
- (3) the total amount of receipts received by the operator during the preceding calendar month or quarter, as the case may be, from sales of parking spaces to purchasers in parking areas or garages during the preceding calendar month or quarter;
- (4) deductions allowed by law;
- (5) the total amount of receipts received by the operator during the preceding calendar month or quarter upon which the tax was computed;
- (6) the amount of tax due; and
- (7) such other reasonable information as the Department may require.

If an operator ceases to engage in the kind of business that makes it responsible for filing returns under this Act, then that operator shall file a final return under this Act with the Department on or before the last day of the month after discontinuing such business.

All returns required to be filed and payments required to be made under this Act shall be by electronic means. Taxpayers who demonstrate hardship in filing or paying electronically may petition the Department to waive the electronic filing or payment requirement, or both. The Department may require a separate return for the tax under this Act or combine the return for the tax under this Act with the return for other taxes.

If the same person has more than one business registered with the Department under separate registrations under this Act, that person shall not file each return that is due as a single return covering all such registered businesses but shall file separate returns for each such registered business.

If the operator is a corporation, the return filed on behalf of that corporation shall be signed by the president, vice-president, secretary, or treasurer, or by a properly accredited agent of such corporation.

The operator filing the return under this Act shall, at the time of filing the return, pay to the Department the amount of tax imposed by this Act less a discount of 1.75%, not to exceed \$1,000 per month, which is allowed to reimburse the operator for the expenses incurred in keeping records, preparing and filing returns, remitting the tax, and supplying data to the Department on request.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, as shown on an original return, the Department may authorize the taxpayer to credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's discount shall be reduced by an amount equal to the difference between the discount as applied to the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

Section 10-20. Exemptions. The tax imposed by this Act shall not apply to:

- (1) parking in a parking area or garage operated by the federal government or its instrumentalities that has been issued an active tax exemption number by the Department under Section 1g of the Retailers' Occupation Tax Act; for this exemption to apply, the parking area or garage must be operated by the federal government or its instrumentalities; the exemption under this paragraph (1) does not apply if the parking area or garage is operated by a third party, whether under a lease or other contractual arrangement, or any other manner whatsoever;
- (2) residential off-street parking for home or apartment tenants or condominium occupants, if the arrangement for such parking is provided in the home or apartment lease or in a separate writing between the landlord and tenant, or in a condominium agreement between the condominium association and the owner, occupant, or guest of a unit, whether the parking charge is payable to the landlord, condominium association, or to the operator of the parking spaces;
- (3) parking by hospital employees in a parking space that is owned and operated by the hospital for which they work; and
- (4) parking in a parking area or garage where 3 or fewer motor vehicles are stored,

housed, or parked for hire, charge, fee or other valuable consideration, if the operator of the parking area or garage does not act as the operator of more than a total of 3 parking spaces located in the State; if any operator of parking areas or garages, including any facilitator or aggregator, acts as an operator of more than 3 parking spaces in total that are located in the State, then this exemption shall not apply to any of those spaces.

Section 10-25. Collection of tax.

(a) Beginning with bills issued or charges collected for a purchase of a parking space in a parking area or garage on and after January 1, 2020, the tax imposed by this Act shall be collected from the purchaser by the operator at the rate stated in Section 10-10 and shall be remitted to the Department as provided in this Act. All charges for parking spaces in a parking area or garage are presumed subject to tax collection. Operators shall collect the tax from purchasers by adding the tax to the amount of the purchase price received from the purchaser. The tax imposed by the Act shall when collected be stated as a distinct item separate and apart from the purchase price of the service subject to tax under this Act. However, where it is not possible to state the tax separately the Department may by rule exempt such purchases from this requirement so long as purchasers are notified by language on the invoice or notified by a sign that the tax is included in the purchase price.

(b) Any person purchasing a parking space in a parking area or garage subject to tax under this Act as to which there has been no charge made to him of the tax imposed by Section 10-10, shall make payment of the tax imposed by Section 10-10 of this Act in the form and manner provided by the Department, such payment to be made to the Department in the manner and form required by the Department not later than the 20th day of the month following the month of purchase of the parking space.

Section 10-30. Registration of operators.

(a) A person who engages in business as an operator of a parking area or garage in this State shall register with the Department. Application for a certificate of registration shall be made to the Department, by electronic means, in the form and manner prescribed by the Department and shall contain any reasonable information the Department may require. Upon receipt of the application for a certificate of registration in proper form and manner, the Department shall issue to the applicant a certificate of registration. Operators who demonstrate that they do not have access to the Internet or demonstrate hardship in applying electronically may petition the Department to waive the electronic application requirements.

(b) The Department may refuse to issue or reissue a certificate of registration to any applicant for the reasons set forth in Section 2505-380 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(c) Any person aggrieved by any decision of the Department under this Section may, within 20 days after notice of such decision, protest and request a hearing, whereupon the Department shall give notice to such person of the time and place fixed for such hearing and shall hold a hearing in conformity with the provisions of this Act and then issue its final administrative decision in the matter to such person. In the absence of such a protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

Section 10-35. Revocation of certificate of registration.

(a) The Department may, after notice and a hearing as provided in this Act, revoke the certificate of registration of any operator who violates any of the provisions of this Act or any rule adopted pursuant to this Act. Before revocation of a certificate of registration, the Department shall, within 90 days after non-compliance and at least 7 days prior to the date of the hearing, give the operator so accused notice in writing of the charge against him or her, and on the date designated shall conduct a hearing upon this matter. The lapse of such 90-day period shall not preclude the Department from conducting revocation proceedings at a later date if necessary. Any hearing held under this Section shall be conducted by the Director or by any officer or employee of the Department designated in writing by the Director.

(b) The Department may revoke a certificate of registration for the reasons set forth in Section 2505-380 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(c) Upon the hearing of any such proceeding, the Director or any officer or employee of the Department designated in writing by the Director may administer oaths, and the Department may procure by its subpoena the attendance of witnesses and, by its subpoena duces tecum, the production of relevant books and papers. Any circuit court, upon application either of the operator or of the Department, may, by order duly entered, require the attendance of witnesses and the production of relevant books and papers before

the Department in any hearing relating to the revocation of certificates of registration. Upon refusal or neglect to obey the order of the court, the court may compel obedience thereof by proceedings for contempt.

(d) The Department may, by application to any circuit court, obtain an injunction requiring any person who engages in business as an operator under this Act to obtain a certificate of registration. Upon refusal or neglect to obey the order of the court, the court may compel obedience by proceedings for contempt.

Section 10-40. Valet services.

(a) Persons engaged in the business of providing valet services are subject to the tax imposed by this Act on the purchase price received in connection with their valet parking operations.

(b) Persons engaged in the business of providing valet services are entitled to take the credit in subsection (c) of Section 10-10.

(c) Tips received by persons parking cars for persons engaged in the business of providing valet services are not subject to the tax imposed by this Act if the tips are retained by the person receiving the tip. If the tips are turned over to the valet business, the tips shall be included in the purchase price.

Section 10-45. Tax collected as debt owed to State. The tax herein required to be collected by any operator or valet business and any such tax collected by that person, shall constitute a debt owed by that person to this State.

Section 10-50. Incorporation by reference. All of the provisions of Sections 1, 2a, 2b, 3 (except provisions relating to transaction returns and except for provisions that are inconsistent with this Act), in respect to all provisions therein other than the State rate of tax) 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act that are not inconsistent with this Act, and all provisions of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included in this Act.

Section 10-55. Deposit of proceeds from parking excise tax. The moneys received by the Department from the tax imposed by this Act shall be deposited into the Capital Projects Fund.

Article 15. Amendatory Provisions

Section 15-5. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection

(c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of

emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 ~~this amendatory Act of the 100th General Assembly~~, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

~~(ff)~~ (ee) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 ~~this amendatory Act of the 100th General Assembly~~, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection ~~(ff)~~ (ee). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection ~~(ff)~~ (ee). The adoption of emergency rules authorized by this subsection ~~(ff)~~ (ee) is deemed to be necessary for the public interest, safety, and welfare.

~~(gg)~~ (ff) In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 ~~this amendatory Act of the 101st General Assembly~~, emergency rules may be adopted by the Department of Labor in accordance with this subsection ~~(gg)~~ (ff) to implement the changes made by Public Act 101-1 ~~this amendatory Act of the 101st General Assembly~~ to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection ~~(gg)~~ (ff) is deemed to be necessary for the public interest, safety, and welfare.

~~(hh)~~ In order to provide for the expeditious and timely implementation of the provisions of the Leveling the Playing Field for Illinois Retail Act, emergency rules may be adopted in accordance with this subsection ~~(hh)~~ to implement the changes made by the Leveling the Playing Field for Illinois Retail Act. The adoption of emergency rules authorized by this subsection ~~(hh)~~ is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

Section 15-10. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by adding Section 605-1025 as follows:

(20 ILCS 605/605-1025 new)

Sec. 605-1025. Data center investment.

(a) The Department shall issue certificates of exemption from the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, all locally-imposed retailers' occupation taxes administered and collected by the Department, the Chicago non-titled Use Tax, the Electricity Excise Tax Act, and a credit certification against the taxes imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act to qualifying Illinois data centers.

(b) For taxable years beginning on or after January 1, 2019, the Department shall award credits against the taxes imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act as provided in Section 229 of the Illinois Income Tax Act.

(c) For purposes of this Section:

"Data center" means a facility: (1) whose primary services are the storage, management, and processing of digital data; and (2) that is used to house (i) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems, (ii) systems for monitoring and managing infrastructure performance, (iii) Internet-related equipment and services, (iv) data communications connections, (v) environmental controls, (vi) fire protection systems, and (vii) security systems and services.

"Qualifying Illinois data center" means a new or existing data center that:

(1) is located in the State of Illinois;

(2) in the case of an existing data center, made a capital investment of at least \$250,000,000 collectively by the data center operator and the tenants of all of its data centers over the 60-month period immediately prior to January 1, 2020 or committed to make a capital investment of at least \$250,000,000 over a 60-month period commencing before January 1, 2020 and ending after January 1, 2020; or

(3) in the case of a new data center, makes a capital investment of at least \$250,000,000 over a 60-month period; and

(4) in the case of both existing and new data centers, results in the creation of at least 20 full-time or full-time equivalent new jobs over a period of 60 months by the data center operator and the tenants of the data center, collectively, associated with the operation or maintenance of the data center; those jobs must have a total compensation equal to or greater than 120% of the median wage paid to full-time employees in the county where the data center is located, as determined by the U.S. Bureau of Labor Statistics; and

(5) is carbon neutral or attains certification under one or more of the following green building standards:

(A) BREEAM for New Construction or BREEAM In-Use;

(B) ENERGY STAR;

(C) Envision;

(D) ISO 50001-energy management;

(E) LEED for Building Design and Construction or LEED for Operations and Maintenance;

(F) Green Globes for New Construction or Green Globes for Existing Buildings;

(G) UL 3223; or

(H) an equivalent program approved by the Department of Commerce and Economic Opportunity.

"Full-time equivalent job" means a job in which the new employee works for the owner, operator, contractor, or tenant of a data center or for a corporation under contract with the owner, operator or tenant of a data center at a rate of at least 35 hours per week. An owner, operator or tenant who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for every 1,820 man hours worked per year under that contract. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. "Qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center.

To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department.

(d) New and existing data centers seeking a certificate of exemption for new or existing facilities shall apply to the Department in the manner specified by the Department. The Department shall determine the duration of the certificate of exemption awarded under this Act. The duration of the certificate of exemption may not exceed 20 calendar years. The Department and any data center seeking the exemption,

including a data center operator on behalf of itself and its tenants, must enter into a memorandum of understanding that at a minimum provides:

- (1) the details for determining the amount of capital investment to be made;
- (2) the number of new jobs created;
- (3) the timeline for achieving the capital investment and new job goals;
- (4) the repayment obligation should those goals not be achieved and any conditions under which repayment by the qualifying data center or data center tenant claiming the exemption will be required;

(5) the duration of the exemption; and

(6) other provisions as deemed necessary by the Department.

(e) Beginning July 1, 2021, and each year thereafter, the Department shall annually report to the Governor and the General Assembly on the outcomes and effectiveness of this amendatory Act of the 101st General Assembly that shall include the following:

(1) the name of each recipient business;

(2) the location of the project;

(3) the estimated value of the credit;

(4) the number of new jobs and, if applicable, retained jobs pledged as a result of the project; and

(5) whether or not the project is located in an underserved area.

(f) New and existing data centers seeking a certificate of exemption related to the rehabilitation or construction of data centers in the State shall require the contractor and all subcontractors to comply with the requirements of Section 30-22 of the Illinois Procurement Code as they apply to responsible bidders and to present satisfactory evidence of that compliance to the Department.

(g) New and existing data centers seeking a certificate of exemption for the rehabilitation or construction of data centers in the State shall require the contractor to enter into a project labor agreement approved by the Department.

(h) Any qualifying data center issued a certificate of exemption under this Section must annually report to the Department the total data center tax benefits that are received by the business. Reports are due no later than May 31 of each year and shall cover the previous calendar year. The first report is for the 2019 calendar year and is due no later than May 31, 2020.

To the extent that a business issued a certificate of exemption under this Section has obtained an Enterprise Zone Building Materials Exemption Certificate or a High Impact Business Building Materials Exemption Certificate, no additional reporting for those building materials exemption benefits is required under this Section.

Failure to file a report under this subsection (h) may result in suspension or revocation of the certificate of exemption. The Department shall adopt rules governing suspension or revocation of the certificate of exemption, including the length of suspension. Factors to be considered in determining whether a data center certificate of exemption shall be suspended or revoked include, but are not limited to, prior compliance with the reporting requirements, cooperation in discontinuing and correcting violations, the extent of the violation, and whether the violation was willful or inadvertent.

(i) The Department shall not issue any new certificates of exemption under the provisions of this Section after July 1, 2029. This sunset shall not affect any existing certificates of exemption in effect on July 1, 2029.

Section 15-20. The State Finance Act is amended by adding Sections 5.891, 5.893, and 5.894 as follows:

(30 ILCS 105/5.891 new)

Sec. 5.891. The Transportation Renewal Fund.

(30 ILCS 105/5.893 new)

Sec. 5.893. The Regional Transportation Authority Capital Improvement Fund.

(30 ILCS 105/5.894 new)

Sec. 5.894. The Downstate Mass Transportation Capital Improvement Fund.

Section 15-25. The Illinois Income Tax Act is amended by adding Section 229 as follows:

(35 ILCS 5/229 new)

Sec. 229. Data center construction employment tax credit.

(a) A taxpayer who has been awarded a credit by the Department of Commerce and Economic Opportunity under Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act. The amount of the credit shall be 20% of the wages paid during the taxable year to a full-time or part-time employee of a construction contractor employed by a certified data

center if those wages are paid for the construction of a new data center in a geographic area that meets any one of the following criteria:

- (1) the area has a poverty rate of at least 20%, according to the latest federal decennial census;
- (2) 75% or more of the children in the area participate in the federal free lunch program, according to reported statistics from the State Board of Education;
- (3) 20% or more of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or
- (4) the area has an average unemployment rate, as determined by the Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

If the taxpayer is a partnership, a Subchapter S corporation, or a limited liability company that has elected partnership tax treatment, the credit shall be allowed to the partners, shareholders, or members in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code, as applicable. The Department, in cooperation with the Department of Commerce and Economic Opportunity, shall adopt rules to enforce and administer this Section. This Section is exempt from the provisions of Section 250 of this Act.

(b) In no event shall a credit under this Section reduce the taxpayer's liability to less than zero. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.

(c) No credit shall be allowed with respect to any certification for any taxable year ending after the revocation of the certification by the Department of Commerce and Economic Opportunity. Upon receiving notification by the Department of Commerce and Economic Opportunity of the revocation of certification, the Department shall notify the taxpayer that no credit is allowed for any taxable year ending after the revocation date, as stated in such notification. If any credit has been allowed with respect to a certification for a taxable year ending after the revocation date, any refund paid to the taxpayer for that taxable year shall, to the extent of that credit allowed, be an erroneous refund within the meaning of Section 912 of this Act.

Section 15-30. The Use Tax Act is amended by changing Sections 2 and 3-5 as follows:
(35 ILCS 105/2) (from Ch. 120, par. 439.2)

Sec. 2. Definitions.

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of such property in any form as tangible personal property in the regular course of business to the extent that such property is not first subjected to a use for which it was purchased, and does not include the use of such property by its owner for demonstration purposes: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. "Use" does not mean the demonstration use or interim use of tangible personal property by a retailer before he sells that tangible personal property. For watercraft or aircraft, if the period of demonstration use or interim use by the retailer exceeds 18 months, the retailer shall pay on the retailers' original cost price the tax imposed by this Act, and no credit for that tax is permitted if the watercraft or aircraft is subsequently sold by the retailer. "Use" does not mean the physical incorporation of tangible personal property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, into other tangible personal property (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing.

"Watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

"Purchase at retail" means the acquisition of the ownership of or title to tangible personal property through a sale at retail.

"Purchaser" means anyone who, through a sale at retail, acquires the ownership of tangible personal property for a valuable consideration.

"Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold is considered to be an intentionally produced by-product of manufacturing. "Sale at retail" includes any such transfer made for resale unless made in compliance with Section 2c of the Retailers' Occupation Tax Act, as incorporated by reference into Section 12 of this Act. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price are sales.

"Sale at retail" shall also be construed to include any Illinois florist's sales transaction in which the purchase order is received in Illinois by a florist and the sale is for use or consumption, but the Illinois florist has a florist in another state deliver the property to the purchaser or the purchaser's donee in such other state.

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of tangible personal property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property other than as hereinafter provided, and services, but, prior to January 1, 2020, not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold; beginning January 1, 2020, "selling price" includes the portion of the value of or credit given for traded-in motor vehicles of the First Division as defined in Section 1-146 of the Illinois Vehicle Code of like kind and character as that which is being sold that exceeds \$10,000. "Selling price" ~~and~~ shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's tax liability under the "Retailers' Occupation Tax Act", or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the seller's duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (A) is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat; (B) is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers; or (C) has a gross vehicle weight rating of 8,000 pounds or less or (2) is a motor vehicle of the first division, "selling price" or "amount of sale" means the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease. Also included in the selling price is any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. For sales that occur in Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor

is not required to collect the tax imposed by this Act or to pay the tax imposed by the Retailers' Occupation Tax Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only allowed if the return is timely filed and for amounts timely paid. The "selling price" of a motor vehicle that is sold on or after January 1, 2015 for the purpose of leasing for a defined period of longer than one year shall not be reduced by the value of or credit given for traded-in tangible personal property owned by the lessor, nor shall it be reduced by the value of or credit given for traded-in tangible personal property owned by the lessee, regardless of whether the trade-in value thereof is assigned by the lessee to the lessor. In the case of a motor vehicle that is sold for the purpose of leasing for a defined period of longer than one year, the sale occurs at the time of the delivery of the vehicle, regardless of the due date of any lease payments. A lessor who incurs a Retailers' Occupation Tax liability on the sale of a motor vehicle coming off lease may not take a credit against that liability for the Use Tax the lessor paid upon the purchase of the motor vehicle (or for any tax the lessor paid with respect to any amount received by the lessor from the lessee for the leased vehicle that was not calculated at the time the lease was executed) if the selling price of the motor vehicle at the time of purchase was calculated using the definition of "selling price" as defined in this paragraph. Notwithstanding any other provision of this Act to the contrary, lessors shall file all returns and make all payments required under this paragraph to the Department by electronic means in the manner and form as required by the Department. This paragraph does not apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the initial defined period.

The phrase "like kind and character" shall be liberally construed (including but not limited to any form of motor vehicle for any form of motor vehicle, or any kind of farm or agricultural implement for any other kind of farm or agricultural implement), while not including a kind of item which, if sold at retail by that retailer, would be exempt from retailers' occupation tax and use tax as an isolated or occasional sale.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Section.

A person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail is a retailer hereunder with respect to such sales (and not primarily in a service occupation) notwithstanding the fact that such person designs and produces such tangible personal property on special order for the purchaser and in such a way as to render the property of value only to such purchaser, if such tangible personal property so produced on special order serves substantially the same function as stock or standard items of tangible personal property that are sold at retail.

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is a retailer with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by schools at retail to students is not "primarily for the purposes of" the school which does such selling. This paragraph does not apply to nor subject to taxation occasional dinners, social or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

A person who is the recipient of a grant or contract under Title VII of the Older Americans Act of 1965 (P.L. 92-258) and serves meals to participants in the federal Nutrition Program for the Elderly in return

for contributions established in amount by the individual participant pursuant to a schedule of suggested fees as provided for in the federal Act is not a retailer under this Act with respect to such transactions.

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are retailers hereunder when engaged in such business.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail or a sale through a bulk vending machine does not make such person a retailer hereunder. However, any person who is engaged in a business which is not subject to the tax imposed by the "Retailers' Occupation Tax Act" because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is a retailer to the extent of the value of the tangible personal property so transferred. If, in such transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purposes of this Act, is the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property.

"Retailer maintaining a place of business in this State", or any like term, means and includes any of the following retailers:

(1) A retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State. However, the ownership of property that is located at the premises of a printer with which the retailer has contracted for printing and that consists of the final printed product, property that becomes a part of the final printed product, or copy from which the printed product is produced shall not result in the retailer being deemed to have or maintain an office, distribution house, sales house, warehouse, or other place of business within this State.

~~(1.1) (Blank). A retailer having a contract with a person located in this State under which the person, for a commission or other consideration based upon the sale of tangible personal property by the retailer, directly or indirectly refers potential customers to the retailer by providing to the potential customers a promotional code or other mechanism that allows the retailer to track purchases referred by such persons. Examples of mechanisms that allow the retailer to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers who are referred to the retailer by all persons in this State under such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December. A retailer meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods.~~

~~(1.2) (Blank). Beginning July 1, 2011, a retailer having a contract with a person located in this State under which:~~

~~(A) the retailer sells the same or substantially similar line of products as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and~~

~~(B) the retailer provides a commission or other consideration to the person located in this State based upon the sale of tangible personal property by the retailer.~~

~~The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers in this State under all such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December.~~

~~(2) (Blank). A retailer soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State.~~

(3) ~~(Blank). A retailer, pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions.~~

~~(4) (Blank). A retailer soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities.~~

~~(5) (Blank). A retailer that is owned or controlled by the same interests that own or control any retailer engaging in business in the same or similar line of business in this State.~~

~~(6) (Blank). A retailer having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section.~~

~~(7) (Blank). A retailer, pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State.~~

~~(8) (Blank). A retailer engaging in activities in Illinois, which activities in the state in which the retail business engaging in such activities is located would constitute maintaining a place of business in that state.~~

(9) Beginning October 1, 2018 through June 30, 2020, a retailer making sales of tangible personal property to

purchasers in Illinois from outside of Illinois if:

(A) the cumulative gross receipts from sales of tangible personal property to

purchasers in Illinois are \$100,000 or more; or

(B) the retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

The retailer shall determine on a quarterly basis, ending on the last day of March,

June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the retailer meets the criteria of either subparagraph (A) or (B) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the retailer shall determine whether the retailer met the criteria of either subparagraph (A) or (B) during the preceding 12-month period. If the retailer met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-year period a retailer that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either subparagraph (A) or (B) during the preceding 12-month period, the retailer shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

"Bulk vending machine" means a vending machine, containing unsorted confections, nuts, toys, or other items designed primarily to be used or played with by children which, when a coin or coins of a denomination not larger than \$0.50 are inserted, are dispensed in equal portions, at random and without selection by the customer.

(Source: P.A. 99-78, eff. 7-20-15; 100-587, eff. 6-4-18.)

(35 ILCS 105/3-5)

Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and

after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or by a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

(5) Until July 1, 2003, a passenger car that is a replacement vehicle to the extent that the purchase price of the car is subject to the Replacement Vehicle Tax.

(6) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order, certified by the purchaser to be used primarily for graphic arts production, and including machinery and equipment purchased for lease. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under paragraph (18).

(7) Farm chemicals.

(8) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(9) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(10) A motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.

(11) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (11). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (11) is exempt from the provisions of Section 3-90.

(12) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(13) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages purchased at retail from a retailer, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(14) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(15) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(16) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(17) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(18) Manufacturing and assembling machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether that sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether that sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (18) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (18) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (6) of this Section.

(19) Personal property delivered to a purchaser or purchaser's donee inside Illinois when the purchase order for that personal property was received by a florist located outside Illinois who has a florist located inside Illinois deliver the personal property.

(20) Semen used for artificial insemination of livestock for direct agricultural production.

(21) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (21) is exempt from the provisions of Section 3-90, and the exemption provided for under this item (21) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008.

(22) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the

tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(23) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1 g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(24) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(25) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(26) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-90.

(27) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(28) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-90.

(29) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-90.

(30) Beginning January 1, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has

been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(31) Beginning on August 2, 2001 (the effective date of Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(32) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(33) On and after July 1, 2003 and through June 30, 2004, the use in this State of motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds and that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, the term "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise, whether for-hire or not.

(34) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-90.

(35) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property by persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who (i) hold an Air Agency Certificate and

are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (35) by Public Act 98-534 are declarative of existing law.

(36) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-90.

(37) Beginning January 1, 2017, menstrual pads, tampons, and menstrual cups.

(38) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental purchase agreement, as defined in the Rental Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 3-90.

(39) Tangible personal property purchased by a purchaser who is exempt from the tax imposed by this Act by operation of federal law. This paragraph is exempt from the provisions of Section 3-90.

(40) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (40) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (40):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (40) is exempt from the provisions of Section 3-90.

(Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16; 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-8-19.)

Section 15-35. The Service Use Tax Act is amended by changing Section 3-5 as follows:

(35 ILCS 110/3-5)

Sec. 3-5. Exemptions. Use of the following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property purchased from a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit

[June 2, 2019]

service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a non-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35) ~~this amendatory Act of the 92nd General Assembly~~, however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(5) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under Section 2 of this Act.

(6) Personal property purchased from a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 3-75.

(8) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(9) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages acquired as an incident to the purchase of a service from a serviceman, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips

to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(10) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(11) Proceeds from the sale of photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(12) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(13) Semen used for artificial insemination of livestock for direct agricultural production.

(14) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (14) is exempt from the provisions of Section 3-75, and the exemption provided for under this item (14) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) ~~this amendatory Act of the 95th General Assembly for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88) this amendatory Act of the 95th General Assembly.~~

(15) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(16) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

(17) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(18) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(19) Beginning July 1, 1999, game or game birds purchased at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-75.

(20) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(21) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-75.

(22) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-75.

(23) Beginning August 23, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(24) Beginning on August 2, 2001 (the effective date of Public Act 92-227) ~~this amendatory Act of the 92nd General Assembly~~, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227) this amendatory Act of the 92nd General Assembly, personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(26) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-75.

(27) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property transferred incident to the modification, refurbishment, completion, replacement, repair, or maintenance of aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (27) by Public Act 98-534 are declarative of existing law.

(28) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-75.

(29) Beginning January 1, 2017, menstrual pads, tampons, and menstrual cups.

(30) Tangible personal property transferred to a purchaser who is exempt from the tax imposed by this Act by operation of federal law. This paragraph is exempt from the provisions of Section 3-75.

(31) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (31) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (31):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (31) is exempt from the provisions of Section 3-75.

(Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16; 100-22, eff. 7-6-17; 100-594, eff. 6-29-18; 100-1171, eff. 1-4-19; revised 1-8-19.)

Section 15-40. The Service Occupation Tax Act is amended by changing Section 3-5 as follows:

(35 ILCS 115/3-5)

Sec. 3-5. Exemptions. The following tangible personal property is exempt from the tax imposed by this Act:

(1) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(2) Personal property purchased by a not-for-profit Illinois county fair association for use in conducting, operating, or promoting the county fair.

(3) Personal property purchased by any not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35) ~~this amendatory Act of the 92nd General Assembly~~, however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(4) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(5) Until July 1, 2003 and beginning again on September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under Section 2 of this Act.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 3-55.

(8) Until June 30, 2013, fuel and petroleum products sold to or used by an air common carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(9) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(10) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(11) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(12) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(13) Beginning January 1, 1992 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(14) Semen used for artificial insemination of livestock for direct agricultural production.

(15) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (15) is exempt from the provisions of Section 3-55, and the exemption provided for under this item (15) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(16) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been

issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act.

(17) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act.

(18) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(19) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(20) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 3-55.

(21) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(22) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-55.

(23) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-55.

(24) Beginning on August 2, 2001 (the effective date of Public Act 92-227) ~~this amendatory Act of the 92nd General Assembly~~, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. This paragraph is exempt from the provisions of Section 3-55.

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227) ~~this amendatory Act of the 92nd General Assembly~~, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. This paragraph is exempt from the provisions of Section 3-55.

(26) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will,

upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (26). The permit issued under this paragraph (26) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(27) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-55.

(28) Tangible personal property sold to a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-55.

(29) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the transfer of qualifying tangible personal property incident to the modification, refurbishment, completion, replacement, repair, or maintenance of an aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (29) by Public Act 98-534 are declarative of existing law.

(30) Beginning January 1, 2017, menstrual pads, tampons, and menstrual cups.

(31) Tangible personal property transferred to a purchaser who is exempt from tax by operation of federal law. This paragraph is exempt from the provisions of Section 3-55.

(32) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (32) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (32):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity

equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (32) is exempt from the provisions of Section 3-55.

(Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16; 100-22, eff. 7-6-17; 100-594, eff. 6-29-18; 100-1171, eff. 1-4-19; revised 1-8-19.)

Section 15-45. The Retailers' Occupation Tax Act is amended by changing Sections 1, 2, 2-5, 2-12, and 2a as follows:

(35 ILCS 120/1) (from Ch. 120, par. 440)

Sec. 1. Definitions. "Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use or consumption, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or byproduct of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold is considered to be an intentionally produced byproduct of manufacturing. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price shall be deemed to be sales.

"Sale at retail" shall be construed to include any transfer of the ownership of or title to tangible personal property to a purchaser, for use or consumption by any other person to whom such purchaser may transfer the tangible personal property without a valuable consideration, and to include any transfer, whether made for or without a valuable consideration, for resale in any form as tangible personal property unless made in compliance with Section 2c of this Act.

Sales of tangible personal property, which property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, goes into and forms a part of tangible personal property subsequently the subject of a "Sale at retail", are not sales at retail as defined in this Act: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or byproduct of manufacturing.

"Sale at retail" shall be construed to include any Illinois florist's sales transaction in which the purchase order is received in Illinois by a florist and the sale is for use or consumption, but the Illinois florist has a florist in another state deliver the property to the purchaser or the purchaser's donee in such other state.

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of tangible personal property.

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is engaged in the business of selling tangible personal property at retail with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by schools at retail to students is not

"primarily for the purposes of" the school which does such selling. The provisions of this paragraph shall not apply to nor subject to taxation occasional dinners, socials or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

A person who is the recipient of a grant or contract under Title VII of the Older Americans Act of 1965 (P.L. 92-258) and serves meals to participants in the federal Nutrition Program for the Elderly in return for contributions established in amount by the individual participant pursuant to a schedule of suggested fees as provided for in the federal Act is not engaged in the business of selling tangible personal property at retail with respect to such transactions.

"Purchaser" means anyone who, through a sale at retail, acquires the ownership of or title to tangible personal property for a valuable consideration.

"Reseller of motor fuel" means any person engaged in the business of selling or delivering or transferring title of motor fuel to another person other than for use or consumption. No person shall act as a reseller of motor fuel within this State without first being registered as a reseller pursuant to Section 2c or a retailer pursuant to Section 2a.

"Selling price" or the "amount of sale" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property, other than as hereinafter provided, and services, but prior to January 1, 2020, not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold; beginning January 1, 2020, "selling price" includes the portion of the value of or credit given for traded-in motor vehicles of the First Division as defined in Section 1-146 of the Illinois Vehicle Code of like kind and character as that which is being sold that exceeds \$10,000. "Selling price" ~~and~~ shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include charges that are added to prices by sellers on account of the seller's tax liability under this Act, or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by the Use Tax Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the sellers' duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (A) is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat; (B) is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers; or (C) has a gross vehicle weight rating of 8,000 pounds or less or (2) is a motor vehicle of the first division, "selling price" or "amount of sale" means the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease. Also included in the selling price is any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. For sales that occur in Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor is not required to collect the tax imposed by the Use Tax Act or to pay the tax imposed by this Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect

to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only allowed if the return is timely filed and for amounts timely paid. The "selling price" of a motor vehicle that is sold on or after January 1, 2015 for the purpose of leasing for a defined period of longer than one year shall not be reduced by the value of or credit given for traded-in tangible personal property owned by the lessor, nor shall it be reduced by the value of or credit given for traded-in tangible personal property owned by the lessee, regardless of whether the trade-in value thereof is assigned by the lessee to the lessor. In the case of a motor vehicle that is sold for the purpose of leasing for a defined period of longer than one year, the sale occurs at the time of the delivery of the vehicle, regardless of the due date of any lease payments. A lessor who incurs a Retailers' Occupation Tax liability on the sale of a motor vehicle coming off lease may not take a credit against that liability for the Use Tax the lessor paid upon the purchase of the motor vehicle (or for any tax the lessor paid with respect to any amount received by the lessor from the lessee for the leased vehicle that was not calculated at the time the lease was executed) if the selling price of the motor vehicle at the time of purchase was calculated using the definition of "selling price" as defined in this paragraph. Notwithstanding any other provision of this Act to the contrary, lessors shall file all returns and make all payments required under this paragraph to the Department by electronic means in the manner and form as required by the Department. This paragraph does not apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the initial defined period.

The phrase "like kind and character" shall be liberally construed (including but not limited to any form of motor vehicle for any form of motor vehicle, or any kind of farm or agricultural implement for any other kind of farm or agricultural implement), while not including a kind of item which, if sold at retail by that retailer, would be exempt from retailers' occupation tax and use tax as an isolated or occasional sale.

"Gross receipts" from the sales of tangible personal property at retail means the total selling price or the amount of such sales, as hereinbefore defined. In the case of charge and time sales, the amount thereof shall be included only as and when payments are received by the seller. Receipts or other consideration derived by a seller from the sale, transfer or assignment of accounts receivable to a wholly owned subsidiary will not be deemed payments prior to the time the purchaser makes payment on such accounts.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail, or a sale through a bulk vending machine, does not constitute engaging in a business of selling such tangible personal property at retail within the meaning of this Act; provided that any person who is engaged in a business which is not subject to the tax imposed by this Act because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate or a construction contract to engineer, install, and maintain an integrated system of products, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate or was not engineered and installed, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is engaged in the business of selling tangible personal property at retail to the extent of the value of the tangible personal property so transferred. If, in such a transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purpose of this Act, shall be the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property. Construction contracts for the improvement of real estate consisting of engineering, installation, and maintenance of voice, data, video, security, and all telecommunication systems do not constitute engaging in a business of selling tangible personal property at retail within the meaning of this Act if they are sold at one specified contract price.

A person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail is a person engaged in the business of selling tangible personal property at retail hereunder with respect to such sales (and not primarily in a service occupation) notwithstanding the fact that such person designs and produces such tangible personal property on special order for the purchaser and in such a way as to render the property of value only to such purchaser, if such tangible

personal property so produced on special order serves substantially the same function as stock or standard items of tangible personal property that are sold at retail.

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are engaged in the business of selling such property at retail and shall be liable for and shall pay the tax imposed by this Act on the basis of the retail value of the property transferred upon redemption of such stamps.

"Bulk vending machine" means a vending machine, containing unsorted confections, nuts, toys, or other items designed primarily to be used or played with by children which, when a coin or coins of a denomination not larger than \$0.50 are inserted, are dispensed in equal portions, at random and without selection by the customer.

"Remote retailer" means a retailer located outside of this State that does not maintain within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent is located here permanently or temporarily or whether such retailer or subsidiary is licensed to do business in this State.

(Source: P.A. 98-628, eff. 1-1-15; 98-1080, eff. 8-26-14.)

(35 ILCS 120/2) (from Ch. 120, par. 441)

Sec. 2. Tax imposed.

(a) A tax is imposed upon persons engaged in the business of selling at retail tangible personal property, including computer software, and including photographs, negatives, and positives that are the product of photoprocessing, but not including products of photoprocessing produced for use in motion pictures for public commercial exhibition. Beginning January 1, 2001, prepaid telephone calling arrangements shall be considered tangible personal property subject to the tax imposed under this Act regardless of the form in which those arrangements may be embodied, transmitted, or fixed by any method now known or hereafter developed. Sales of (1) electricity delivered to customers by wire; (2) natural or artificial gas that is delivered to customers through pipes, pipelines, or mains; and (3) water that is delivered to customers through pipes, pipelines, or mains are not subject to tax under this Act. The provisions of this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this Act.

(b) Beginning on July 1, 2020, a remote retailer is engaged in the occupation of selling at retail in Illinois for purposes of this Act, if:

(1) the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois are \$100,000 or more; or

(2) the retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

Remote retailers that meet or exceed the threshold in either paragraph (1) or (2) above shall be liable for all applicable State and locally imposed retailers' occupation taxes on all retail sales to Illinois purchasers.

The remote retailer shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) of this subsection for the preceding 12-month period. If the retailer meets the criteria of either paragraph (1) or (2) for a 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and all retailers' occupation tax imposed by local taxing jurisdictions in Illinois, provided such local taxes are administered by the Department, and to file all applicable returns for one year. At the end of that one-year period, the retailer shall determine whether the retailer met the criteria of either paragraph (1) or (2) for the preceding 12-month period. If the retailer met the criteria in either paragraph (1) or (2) for the preceding 12-month period, he or she is considered a retailer maintaining a place of business in this State and is required to collect and remit all applicable State and local retailers' occupation taxes and file returns for the subsequent year. If, at the end of a one-year period, a retailer that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either paragraph (1) or (2) during the preceding 12-month period, then the retailer shall subsequently determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either paragraph (1) or (2) for the preceding 12-month period.

(Source: P.A. 98-583, eff. 1-1-14.)

(35 ILCS 120/2-5)

Sec. 2-5. Exemptions. Gross receipts from proceeds from the sale of the following tangible personal property are exempt from the tax imposed by this Act:

(1) Farm chemicals.

(2) Farm machinery and equipment, both new and used, including that manufactured on

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special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (2) is exempt from the provisions of Section 2-70.

(3) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(4) Until July 1, 2003 and beginning again September 1, 2004 through August 30, 2014, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product. Beginning on July 1, 2017, graphic arts machinery and equipment is included in the manufacturing and assembling machinery and equipment exemption under paragraph (14).

(5) A motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 2-70.

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Until July 1, 2003, proceeds of that portion of the selling price of a passenger car the sale of which is subject to the Replacement Vehicle Tax.

(8) Personal property sold to an Illinois county fair association for use in conducting, operating, or promoting the county fair.

(9) Personal property sold to a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35), however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(10) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(11) Personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the

exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active identification number issued by the Department.

(12) (Blank).

(12-5) On and after July 1, 2003 and through June 30, 2004, motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(13) Proceeds from sales to owners, lessors, or shippers of tangible personal property that is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(14) Machinery and equipment that will be used by the purchaser, or a lessee of the purchaser, primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether the sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether the sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption provided by this paragraph (14) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (14) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (4) of this Section.

(15) Proceeds of mandatory service charges separately stated on customers' bills for purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(16) Tangible personal property sold to a purchaser if the purchaser is exempt from use tax by operation of federal law. This paragraph is exempt from the provisions of Section 2-70.

(17) Tangible personal property sold to a common carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.

(18) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(19) Until July 1, 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(20) Photoprocessing machinery and equipment, including repair and replacement parts,

both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(21) Until July 1, 2023, coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code. The changes made to this Section by Public Act 97-767 apply on and after July 1, 2003, but no claim for credit or refund is allowed on or after August 16, 2013 (the effective date of Public Act 98-456) for such taxes paid during the period beginning July 1, 2003 and ending on August 16, 2013 (the effective date of Public Act 98-456).

(22) Until June 30, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

(23) A transaction in which the purchase order is received by a florist who is located outside Illinois, but who has a florist located in Illinois deliver the property to the purchaser or the purchaser's donee in Illinois.

(24) Fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property or the conveyance of persons for hire on rivers bordering on this State if the fuel is delivered by the seller to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river.

(25) Except as provided in item (25-5) of this Section, a motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a drive-away permit is issued to the motor vehicle as provided in Section 3-603 of the Illinois Vehicle Code or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to his or her home state. The issuance of the drive-away permit or having the out-of-state registration plates to be transferred is prima facie evidence that the motor vehicle will not be titled in this State.

(25-5) The exemption under item (25) does not apply if the state in which the motor vehicle will be titled does not allow a reciprocal exemption for a motor vehicle sold and delivered in that state to an Illinois resident but titled in Illinois. The tax collected under this Act on the sale of a motor vehicle in this State to a resident of another state that does not allow a reciprocal exemption shall be imposed at a rate equal to the state's rate of tax on taxable property in the state in which the purchaser is a resident, except that the tax shall not exceed the tax that would otherwise be imposed under this Act. At the time of the sale, the purchaser shall execute a statement, signed under penalty of perjury, of his or her intent to title the vehicle in the state in which the purchaser is a resident within 30 days after the sale and of the fact of the payment to the State of Illinois of tax in an amount equivalent to the state's rate of tax on taxable property in his or her state of residence and shall submit the statement to the appropriate tax collection agency in his or her state of residence. In addition, the retailer must retain a signed copy of the statement in his or her records. Nothing in this item shall be construed to require the removal of the vehicle from this state following the filing of an intent to title the vehicle in the purchaser's state of residence if the purchaser titles the vehicle in his or her state of residence within 30 days after the date of sale. The tax collected under this Act in accordance with this item (25-5) shall be proportionately distributed as if the tax were collected at the 6.25% general rate imposed under this Act.

(25-7) Beginning on July 1, 2007, no tax is imposed under this Act on the sale of an aircraft, as defined in Section 3 of the Illinois Aeronautics Act, if all of the following conditions are met:

(1) the aircraft leaves this State within 15 days after the later of either the issuance of the final billing for the sale of the aircraft, or the authorized approval for return to service, completion of the maintenance record entry, and completion of the test flight and ground test for inspection, as required by 14 C.F.R. 91.407;

(2) the aircraft is not based or registered in this State after the sale of the aircraft; and

(3) the seller retains in his or her books and records and provides to the Department a signed and dated certification from the purchaser, on a form prescribed by the Department, certifying that the requirements of this item (25-7) are met. The certificate must also include the name and address of the purchaser, the address of the location where the aircraft is to be titled or registered, the address of the primary physical location of the aircraft, and other information that the Department may reasonably require.

For purposes of this item (25-7):

"Based in this State" means hangared, stored, or otherwise used, excluding post-sale customizations as defined in this Section, for 10 or more days in each 12-month period immediately following the date of the sale of the aircraft.

"Registered in this State" means an aircraft registered with the Department of Transportation, Aeronautics Division, or titled or registered with the Federal Aviation Administration to an address located in this State.

This paragraph (25-7) is exempt from the provisions of Section 2-70.

(26) Semen used for artificial insemination of livestock for direct agricultural production.

(27) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (27) is exempt from the provisions of Section 2-70, and the exemption provided for under this item (27) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

(28) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(29) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(31) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(32) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 2-70.

(33) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(34) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 2-70.

(35) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 2-70.

(35-5) Beginning August 23, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

(36) Beginning August 2, 2001, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(37) Beginning August 2, 2001, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(38) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (38). The permit issued under this paragraph (38) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(39) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 2-70.

(40) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the

modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the sale of qualifying tangible personal property to persons who modify, refurbish, complete, replace, or maintain an aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (40) by Public Act 98-534 are declarative of existing law.

(41) Tangible personal property sold to a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 2-70.

(42) Beginning January 1, 2017, menstrual pads, tampons, and menstrual cups.

(43) Merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental purchase agreement, as defined in the Rental Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the provisions of Section 2-70.

(44) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (44) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (44):

"Data center" means a building or a series of buildings rehabilitated or constructed to house working servers in one physical location or multiple sites within the State of Illinois.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures, and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (44) is exempt from the provisions of Section 2-70.

(Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16; 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-8-19.)

(35 ILCS 120/2-12)

Sec. 2-12. Location where retailer is deemed to be engaged in the business of selling. The purpose of this Section is to specify where a retailer is deemed to be engaged in the business of selling tangible personal property for the purposes of this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, and for the purpose of collecting any other local retailers' occupation tax administered by the Department. This Section applies only with respect to the particular selling activities described in the following paragraphs. The provisions of this Section are not intended to, and shall not be interpreted to, affect where a retailer is deemed to be engaged in the business of selling with respect to any activity that is not specifically described in the following paragraphs.

(1) If a purchaser who is present at the retailer's place of business, having no prior commitment to the retailer, agrees to purchase and makes payment for tangible personal property at the retailer's place of business, then the transaction shall be deemed an over-the-counter sale occurring at the retailer's same place of business where the purchaser was present and made payment for that tangible personal property if the retailer regularly stocks the purchased tangible personal property or similar tangible personal property in the quantity, or similar quantity, for sale at the retailer's same place of business and then either (i) the purchaser takes possession of the tangible personal property at the same place of business or (ii) the retailer delivers or arranges for the tangible personal property to be delivered to the purchaser.

(2) If a purchaser, having no prior commitment to the retailer, agrees to purchase tangible personal property and makes payment over the phone, in writing, or via the Internet and takes possession of the tangible personal property at the retailer's place of business, then the sale shall be deemed to have occurred at the retailer's place of business where the purchaser takes possession of the property if the retailer regularly stocks the item or similar items in the quantity, or similar quantities, purchased by the purchaser.

(3) A retailer is deemed to be engaged in the business of selling food, beverages, or other tangible personal property through a vending machine at the location where the vending machine is located at the time the sale is made if (i) the vending machine is a device operated by coin, currency, credit card, token, coupon or similar device; (2) the food, beverage or other tangible personal property is contained within the vending machine and dispensed from the vending machine; and (3) the purchaser takes possession of the purchased food, beverage or other tangible personal property immediately.

(4) Minerals. A producer of coal or other mineral mined in Illinois is deemed to be engaged in the business of selling at the place where the coal or other mineral mined in Illinois is extracted from the earth. With respect to minerals (i) the term "extracted from the earth" means the location at which the coal or other mineral is extracted from the mouth of the mine, and (ii) a "mineral" includes not only coal, but also oil, sand, stone taken from a quarry, gravel and any other thing commonly regarded as a mineral and extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(5) A retailer selling tangible personal property to a nominal lessee or bailee pursuant to a lease with a dollar or other nominal option to purchase is engaged in the business of selling at the location where the property is first delivered to the lessee or bailee for its intended use.

(6) Beginning on July 1, 2020, for the purposes of determining the correct local retailers' occupation tax rate, retail sales made by a remote retailer that meet or exceed the thresholds established in paragraph (1) or (2) of subsection (b) of Section 2 of this Act shall be deemed to be made at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser.

(Source: P.A. 98-1098, eff. 8-26-14; 99-126, eff. 7-23-15.)

(35 ILCS 120/2a) (from Ch. 120, par. 441a)

Sec. 2a. It is unlawful for any person to engage in the business of selling tangible personal property at retail in this State without a certificate of registration from the Department. Application for a certificate of registration shall be made to the Department upon forms furnished by it. Each such application shall be signed and verified and shall state: (1) the name and social security number of the applicant; (2) the address of his principal place of business; (3) the address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State and the addresses of all other places of business, if any (enumerating such addresses, if any, in a separate list attached to and made a part of the application), from which he engages in the business of selling tangible personal property at retail in this State; (4) the name and address of the person or persons who will be responsible for filing returns and payment of taxes due under this Act; (5) in the case of a publicly traded corporation, the name and title of the Chief Financial Officer, Chief Operating Officer, and any other officer or employee with responsibility for preparing tax returns under this Act, and, in the case of all other corporations, the name,

title, and social security number of each corporate officer; (6) in the case of a limited liability company, the name, social security number, and FEIN number of each manager and member; and (7) such other information as the Department may reasonably require. The application shall contain an acceptance of responsibility signed by the person or persons who will be responsible for filing returns and payment of the taxes due under this Act. If the applicant will sell tangible personal property at retail through vending machines, his application to register shall indicate the number of vending machines to be so operated. If requested by the Department at any time, that person shall verify the total number of vending machines he or she uses in his or her business of selling tangible personal property at retail.

The Department shall provide by rule for an expedited business registration process for remote retailers required to register and file under subsection (b) of Section 2 who use a certified service provider to file their returns under this Act. Such expedited registration process shall allow the Department to register a taxpayer based upon the same registration information required by the Streamlined Sales Tax Governing Board for states participating in the Streamlined Sales Tax Project.

The Department may deny a certificate of registration to any applicant if a person who is named as the owner, a partner, a manager or member of a limited liability company, or a corporate officer of the applicant on the application for the certificate of registration is or has been named as the owner, a partner, a manager or member of a limited liability company, or a corporate officer on the application for the certificate of registration of another retailer that is in default for moneys due under this Act or any other tax or fee Act administered by the Department. For purposes of this paragraph only, in determining whether a person is in default for moneys due, the Department shall include only amounts established as a final liability within the 20 years prior to the date of the Department's notice of denial of a certificate of registration.

The Department may require an applicant for a certificate of registration hereunder to, at the time of filing such application, furnish a bond from a surety company authorized to do business in the State of Illinois, or an irrevocable bank letter of credit or a bond signed by 2 personal sureties who have filed, with the Department, sworn statements disclosing net assets equal to at least 3 times the amount of the bond to be required of such applicant, or a bond secured by an assignment of a bank account or certificate of deposit, stocks or bonds, conditioned upon the applicant paying to the State of Illinois all moneys becoming due under this Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution. In making a determination as to whether to require a bond or other security, the Department shall take into consideration whether the owner, any partner, any manager or member of a limited liability company, or a corporate officer of the applicant is or has been the owner, a partner, a manager or member of a limited liability company, or a corporate officer of another retailer that is in default for moneys due under this Act or any other tax or fee Act administered by the Department; and whether the owner, any partner, any manager or member of a limited liability company, or a corporate officer of the applicant is or has been the owner, a partner, a manager or member of a limited liability company, or a corporate officer of another retailer whose certificate of registration has been revoked within the previous 5 years under this Act or any other tax or fee Act administered by the Department. If a bond or other security is required, the Department shall fix the amount of the bond or other security, taking into consideration the amount of money expected to become due from the applicant under this Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance, or resolution. The amount of security required by the Department shall be such as, in its opinion, will protect the State of Illinois against failure to pay the amount which may become due from the applicant under this Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution, but the amount of the security required by the Department shall not exceed three times the amount of the applicant's average monthly tax liability, or \$50,000.00, whichever amount is lower.

No certificate of registration under this Act shall be issued by the Department until the applicant provides the Department with satisfactory security, if required, as herein provided for.

Upon receipt of the application for certificate of registration in proper form, and upon approval by the Department of the security furnished by the applicant, if required, the Department shall issue to such applicant a certificate of registration which shall permit the person to whom it is issued to engage in the business of selling tangible personal property at retail in this State. The certificate of registration shall be conspicuously displayed at the place of business which the person so registered states in his application to

be the principal place of business from which he engages in the business of selling tangible personal property at retail in this State.

No certificate of registration issued prior to July 1, 2017 to a taxpayer who files returns required by this Act on a monthly basis or renewed prior to July 1, 2017 by a taxpayer who files returns required by this Act on a monthly basis shall be valid after the expiration of 5 years from the date of its issuance or last renewal. No certificate of registration issued on or after July 1, 2017 to a taxpayer who files returns required by this Act on a monthly basis or renewed on or after July 1, 2017 by a taxpayer who files returns required by this Act on a monthly basis shall be valid after the expiration of one year from the date of its issuance or last renewal. The expiration date of a sub-certificate of registration shall be that of the certificate of registration to which the sub-certificate relates. Prior to July 1, 2017, a certificate of registration shall automatically be renewed, subject to revocation as provided by this Act, for an additional 5 years from the date of its expiration unless otherwise notified by the Department as provided by this paragraph. On and after July 1, 2017, a certificate of registration shall automatically be renewed, subject to revocation as provided by this Act, for an additional one year from the date of its expiration unless otherwise notified by the Department as provided by this paragraph.

Where a taxpayer to whom a certificate of registration is issued under this Act is in default to the State of Illinois for delinquent returns or for moneys due under this Act or any other State tax law or municipal or county ordinance administered or enforced by the Department, the Department shall, not less than 60 days before the expiration date of such certificate of registration, give notice to the taxpayer to whom the certificate was issued of the account period of the delinquent returns, the amount of tax, penalty and interest due and owing from the taxpayer, and that the certificate of registration shall not be automatically renewed upon its expiration date unless the taxpayer, on or before the date of expiration, has filed and paid the delinquent returns or paid the defaulted amount in full. A taxpayer to whom such a notice is issued shall be deemed an applicant for renewal. The Department shall promulgate regulations establishing procedures for taxpayers who file returns on a monthly basis but desire and qualify to change to a quarterly or yearly filing basis and will no longer be subject to renewal under this Section, and for taxpayers who file returns on a yearly or quarterly basis but who desire or are required to change to a monthly filing basis and will be subject to renewal under this Section.

The Department may in its discretion approve renewal by an applicant who is in default if, at the time of application for renewal, the applicant files all of the delinquent returns or pays to the Department such percentage of the defaulted amount as may be determined by the Department and agrees in writing to waive all limitations upon the Department for collection of the remaining defaulted amount to the Department over a period not to exceed 5 years from the date of renewal of the certificate; however, no renewal application submitted by an applicant who is in default shall be approved if the immediately preceding renewal by the applicant was conditioned upon the installment payment agreement described in this Section. The payment agreement herein provided for shall be in addition to and not in lieu of the security that may be required by this Section of a taxpayer who is no longer considered a prior continuous compliance taxpayer. The execution of the payment agreement as provided in this Act shall not toll the accrual of interest at the statutory rate.

The Department may suspend a certificate of registration if the Department finds that the person to whom the certificate of registration has been issued knowingly sold contraband cigarettes.

A certificate of registration issued under this Act more than 5 years before January 1, 1990 (the effective date of Public Act 86-383) shall expire and be subject to the renewal provisions of this Section on the next anniversary of the date of issuance of such certificate which occurs more than 6 months after January 1, 1990 (the effective date of Public Act 86-383). A certificate of registration issued less than 5 years before January 1, 1990 (the effective date of Public Act 86-383) shall expire and be subject to the renewal provisions of this Section on the 5th anniversary of the issuance of the certificate.

If the person so registered states that he operates other places of business from which he engages in the business of selling tangible personal property at retail in this State, the Department shall furnish him with a sub-certificate of registration for each such place of business, and the applicant shall display the appropriate sub-certificate of registration at each such place of business. All sub-certificates of registration shall bear the same registration number as that appearing upon the certificate of registration to which such sub-certificates relate.

If the applicant will sell tangible personal property at retail through vending machines, the Department shall furnish him with a sub-certificate of registration for each such vending machine, and the applicant shall display the appropriate sub-certificate of registration on each such vending machine by attaching the sub-certificate of registration to a conspicuous part of such vending machine. If a person who is registered to sell tangible personal property at retail through vending machines adds an additional vending machine or additional vending machines to the number of vending machines he or she uses in his or her business

of selling tangible personal property at retail, he or she shall notify the Department, on a form prescribed by the Department, to request an additional sub-certificate or additional sub-certificates of registration, as applicable. With each such request, the applicant shall report the number of sub-certificates of registration he or she is requesting as well as the total number of vending machines from which he or she makes retail sales.

Where the same person engages in 2 or more businesses of selling tangible personal property at retail in this State, which businesses are substantially different in character or engaged in under different trade names or engaged in under other substantially dissimilar circumstances (so that it is more practicable, from an accounting, auditing or bookkeeping standpoint, for such businesses to be separately registered), the Department may require or permit such person (subject to the same requirements concerning the furnishing of security as those that are provided for hereinbefore in this Section as to each application for a certificate of registration) to apply for and obtain a separate certificate of registration for each such business or for any of such businesses, under a single certificate of registration supplemented by related sub-certificates of registration.

Any person who is registered under the Retailers' Occupation Tax Act as of March 8, 1963, and who, during the 3-year period immediately prior to March 8, 1963, or during a continuous 3-year period part of which passed immediately before and the remainder of which passes immediately after March 8, 1963, has been so registered continuously and who is determined by the Department not to have been either delinquent or deficient in the payment of tax liability during that period under this Act or under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the registrant under this Act will permit the registrant to engage in business without registering separately under such other law, ordinance or resolution, shall be considered to be a Prior Continuous Compliance taxpayer. Also any taxpayer who has, as verified by the Department, faithfully and continuously complied with the condition of his bond or other security under the provisions of this Act for a period of 3 consecutive years shall be considered to be a Prior Continuous Compliance taxpayer.

Every Prior Continuous Compliance taxpayer shall be exempt from all requirements under this Act concerning the furnishing of a bond or other security as a condition precedent to his being authorized to engage in the business of selling tangible personal property at retail in this State. This exemption shall continue for each such taxpayer until such time as he may be determined by the Department to be delinquent in the filing of any returns, or is determined by the Department (either through the Department's issuance of a final assessment which has become final under the Act, or by the taxpayer's filing of a return which admits tax that is not paid to be due) to be delinquent or deficient in the paying of any tax under this Act or under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the registrant under this Act will permit the registrant to engage in business without registering separately under such other law, ordinance or resolution, at which time that taxpayer shall become subject to all the financial responsibility requirements of this Act and, as a condition of being allowed to continue to engage in the business of selling tangible personal property at retail, may be required to post bond or other acceptable security with the Department covering liability which such taxpayer may thereafter incur. Any taxpayer who fails to pay an admitted or established liability under this Act may also be required to post bond or other acceptable security with this Department guaranteeing the payment of such admitted or established liability.

No certificate of registration shall be issued to any person who is in default to the State of Illinois for moneys due under this Act or under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution.

Any person aggrieved by any decision of the Department under this Section may, within 20 days after notice of such decision, protest and request a hearing, whereupon the Department shall give notice to such person of the time and place fixed for such hearing and shall hold a hearing in conformity with the provisions of this Act and then issue its final administrative decision in the matter to such person. In the absence of such a protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

With respect to security other than bonds (upon which the Department may sue in the event of a forfeiture), if the taxpayer fails to pay, when due, any amount whose payment such security guarantees, the Department shall, after such liability is admitted by the taxpayer or established by the Department through the issuance of a final assessment that has become final under the law, convert the security which that taxpayer has furnished into money for the State, after first giving the taxpayer at least 10 days' written notice, by registered or certified mail, to pay the liability or forfeit such security to the Department. If the security consists of stocks or bonds or other securities which are listed on a public exchange, the

Department shall sell such securities through such public exchange. If the security consists of an irrevocable bank letter of credit, the Department shall convert the security in the manner provided for in the Uniform Commercial Code. If the security consists of a bank certificate of deposit, the Department shall convert the security into money by demanding and collecting the amount of such bank certificate of deposit from the bank which issued such certificate. If the security consists of a type of stocks or other securities which are not listed on a public exchange, the Department shall sell such security to the highest and best bidder after giving at least 10 days' notice of the date, time and place of the intended sale by publication in the "State Official Newspaper". If the Department realizes more than the amount of such liability from the security, plus the expenses incurred by the Department in converting the security into money, the Department shall pay such excess to the taxpayer who furnished such security, and the balance shall be paid into the State Treasury.

The Department shall discharge any surety and shall release and return any security deposited, assigned, pledged or otherwise provided to it by a taxpayer under this Section within 30 days after:

(1) such taxpayer becomes a Prior Continuous Compliance taxpayer; or

(2) such taxpayer has ceased to collect receipts on which he is required to remit tax to the Department, has filed a final tax return, and has paid to the Department an amount sufficient to discharge his remaining tax liability, as determined by the Department, under this Act and under every other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration issued under this Act permits the registrant to engage in business without registering separately under such other law, ordinance or resolution. The Department shall make a final determination of the taxpayer's outstanding tax liability as expeditiously as possible after his final tax return has been filed; if the Department cannot make such final determination within 45 days after receiving the final tax return, within such period it shall so notify the taxpayer, stating its reasons therefor.

(Source: P.A. 100-302, eff. 8-24-17; 100-303, eff. 8-24-17; 100-863, eff. 8-14-18.)

Section 15-50. The Cigarette Tax Act is amended by changing Section 2 as follows:

(35 ILCS 130/2) (from Ch. 120, par. 453.2)

Sec. 2. Tax imposed; rate; collection, payment, and distribution; discount.

(a) Beginning on July 1, 2019, in place of the aggregate tax rate of 99 mills previously imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 149 mills per cigarette sold or otherwise disposed of in the course of such business in this State. A tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at the rate of 5 1/2 mills per cigarette sold, or otherwise disposed of in the course of such business in this State. In addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at a rate of 1/2 mill per cigarette sold or otherwise disposed of in the course of such business in this State on and after January 1, 1947, and shall be paid into the Metropolitan Fair and Exposition Authority Reconstruction Fund or as otherwise provided in Section 29. On and after December 1, 1985, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at a rate of 4 mills per cigarette sold or otherwise disposed of in the course of such business in this State. Of the additional tax imposed by this amendatory Act of 1985, \$9,000,000 of the moneys received by the Department of Revenue pursuant to this Act shall be paid each month into the Common School Fund. On and after the effective date of this amendatory Act of 1989, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 5 mills per cigarette sold or otherwise disposed of in the course of such business in this State. On and after the effective date of this amendatory Act of 1993, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 7 mills per cigarette sold or otherwise disposed of in the course of such business in this State. On and after December 15, 1997, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 7 mills per cigarette sold or otherwise disposed of in the course of such business of this State. All of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act from the additional taxes imposed by this amendatory Act of 1997, shall be paid each month into the Common School Fund. On and after July 1, 2002, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 20.0 mills per cigarette sold or otherwise disposed of in the course of such business in this State. Beginning on June 24, 2012, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 50 mills per cigarette sold or otherwise disposed of in the course of such business in this State. All moneys received by the Department of Revenue under this Act and the Cigarette Use Tax

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Act from the additional taxes imposed by this amendatory Act of the 97th General Assembly shall be paid each month into the Healthcare Provider Relief Fund.

(b) The payment of such taxes shall be evidenced by a stamp affixed to each original package of cigarettes, or an authorized substitute for such stamp imprinted on each original package of such cigarettes underneath the sealed transparent outside wrapper of such original package, as hereinafter provided. However, such taxes are not imposed upon any activity in such business in interstate commerce or otherwise, which activity may not under the Constitution and statutes of the United States be made the subject of taxation by this State.

~~Beginning on the effective date of this amendatory Act of the 92nd General Assembly and through June 30, 2006, all of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act, other than the moneys that are dedicated to the Common School Fund, shall be distributed each month as follows: first, there shall be paid into the General Revenue Fund an amount which, when added to the amount paid into the Common School Fund for that month, equals \$33,200,000, except that in the month of August of 2004, this amount shall equal \$83,300,000; then, from the moneys remaining, if any amounts required to be paid into the General Revenue Fund in previous months remain unpaid, those amounts shall be paid into the General Revenue Fund; then, beginning on April 1, 2003, from the moneys remaining, \$5,000,000 per month shall be paid into the School Infrastructure Fund; then, if any amounts required to be paid into the School Infrastructure Fund in previous months remain unpaid, those amounts shall be paid into the School Infrastructure Fund; then the moneys remaining, if any, shall be paid into the Long-Term Care Provider Fund. To the extent that more than \$25,000,000 has been paid into the General Revenue Fund and Common School Fund per month for the period of July 1, 1993 through the effective date of this amendatory Act of 1994 from combined receipts of the Cigarette Tax Act and the Cigarette Use Tax Act, notwithstanding the distribution provided in this Section, the Department of Revenue is hereby directed to adjust the distribution provided in this Section to increase the next monthly payments to the Long-Term Care Provider Fund by the amount paid to the General Revenue Fund and Common School Fund in excess of \$25,000,000 per month and to decrease the next monthly payments to the General Revenue Fund and Common School Fund by that same excess amount.~~

Beginning on July 1, 2006, all of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act, other than the moneys that are dedicated to the Common School Fund and, beginning on the effective date of this amendatory Act of the 97th General Assembly, other than the moneys from the additional taxes imposed by this amendatory Act of the 97th General Assembly that must be paid each month into the Healthcare Provider Relief Fund, and other than the moneys from the additional taxes imposed by this amendatory Act of the 101st General Assembly that must be paid each month under subsection (c), shall be distributed each month as follows: first, there shall be paid into the General Revenue Fund an amount that, when added to the amount paid into the Common School Fund for that month, equals \$29,200,000; then, from the moneys remaining, if any amounts required to be paid into the General Revenue Fund in previous months remain unpaid, those amounts shall be paid into the General Revenue Fund; then from the moneys remaining, \$5,000,000 per month shall be paid into the School Infrastructure Fund; then, if any amounts required to be paid into the School Infrastructure Fund in previous months remain unpaid, those amounts shall be paid into the School Infrastructure Fund; then the moneys remaining, if any, shall be paid into the Long-Term Care Provider Fund.

(c) Beginning on July 1, 2019, all of the moneys from the additional taxes imposed by this amendatory Act of the 101st General Assembly received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act shall be distributed each month into the Capital Projects Fund.

(d) Moneys collected from the tax imposed on little cigars under Section 10-10 of the Tobacco Products Tax Act of 1995 shall be included with the moneys collected under the Cigarette Tax Act and the Cigarette Use Tax Act when making distributions to the Common School Fund, the Healthcare Provider Relief Fund, the General Revenue Fund, the School Infrastructure Fund, and the Long-Term Care Provider Fund under this Section.

(e) ~~If the~~ ~~When any~~ tax imposed herein terminates or has terminated, distributors who have bought stamps while such tax was in effect and who therefore paid such tax, but who can show, to the Department's satisfaction, that they sold the cigarettes to which they affixed such stamps after such tax had terminated and did not recover the tax or its equivalent from purchasers, shall be allowed by the Department to take credit for such absorbed tax against subsequent tax stamp purchases from the Department by such distributor.

(f) The impact of the tax levied by this Act is imposed upon the retailer and shall be prepaid or pre-collected by the distributor for the purpose of convenience and facility only, and the amount of the tax shall be added to the price of the cigarettes sold by such distributor. Collection of the tax shall be evidenced by a stamp or stamps affixed to each original package of cigarettes, as hereinafter provided. Any distributor

who purchases stamps may credit any excess payments verified by the Department against amounts subsequently due for the purchase of additional stamps, until such time as no excess payment remains.

(g) Each distributor shall collect the tax from the retailer at or before the time of the sale, shall affix the stamps as hereinafter required, and shall remit the tax collected from retailers to the Department, as hereinafter provided. Any distributor who fails to properly collect and pay the tax imposed by this Act shall be liable for the tax. ~~Any distributor having cigarettes to which stamps have been affixed in his possession for sale on the effective date of this amendatory Act of 1989 shall not be required to pay the additional tax imposed by this amendatory Act of 1989 on such stamped cigarettes. Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale at 12:01 a.m. on the effective date of this amendatory Act of 1993, is required to pay the additional tax imposed by this amendatory Act of 1993 on such stamped cigarettes. This payment, less the discount provided in subsection (b), shall be due when the distributor first makes a purchase of cigarette tax stamps after the effective date of this amendatory Act of 1993, or on the first due date of a return under this Act after the effective date of this amendatory Act of 1993, whichever occurs first. Any distributor having cigarettes to which stamps have been affixed in his possession for sale on December 15, 1997 shall not be required to pay the additional tax imposed by this amendatory Act of 1997 on such stamped cigarettes.~~

Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale on July 1, 2002 shall not be required to pay the additional tax imposed by this amendatory Act of the 92nd General Assembly on those stamped cigarettes.

(h) Any distributor having cigarettes in his or her possession on July 1, 2019 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on July 1, 2019 that have not been affixed to packages of cigarettes before July 1, 2019, is required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly to the extent that the volume of affixed and unaffixed stamps in the distributor's possession on July 1, 2019 exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2018. This payment, less the discount provided in subsection (l), is due when the distributor first makes a purchase of cigarette stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes in their possession on July 1, 2019 over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in subsection (l) on such payments.

~~(i) Any retailer having cigarettes in its his or her possession on July 1, 2019 ~~June 24, 2012~~ to which tax stamps have been affixed is not required to pay the additional tax that begins on July 1, 2019 ~~June 24, 2012~~ imposed by this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 97th General Assembly~~ on those stamped cigarettes. Any distributor having cigarettes in his or her possession on June 24, 2012 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on June 24, 2012 that have not been affixed to packages of cigarettes before June 24, 2012, is required to pay the additional tax that begins on June 24, 2012 imposed by this amendatory Act of the 97th General Assembly to the extent the calendar year 2012 average monthly volume of cigarette stamps in the distributor's possession exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2011. This payment, less the discount provided in subsection (b), is due when the distributor first makes a purchase of cigarette stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring on or after June 24, 2012, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring on or after June 24, 2012, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in subsection (b) on such payments.~~

(j) Distributors making sales of cigarettes to secondary distributors shall add the amount of the tax to the price of the cigarettes sold by the distributors. Secondary distributors making sales of cigarettes to retailers shall include the amount of the tax in the price of the cigarettes sold to retailers. The amount of tax shall not be less than the amount of taxes imposed by the State and all local jurisdictions. The amount of local taxes shall be calculated based on the location of the retailer's place of business shown on the

retailer's certificate of registration or sub-registration issued to the retailer pursuant to Section 2a of the Retailers' Occupation Tax Act. The original packages of cigarettes sold to the retailer shall bear all the required stamps, or other indicia, for the taxes included in the price of cigarettes.

(k) The amount of the Cigarette Tax imposed by this Act shall be separately stated, apart from the price of the goods, by distributors, manufacturer representatives, secondary distributors, and retailers, in all bills and sales invoices.

(l) (b) The distributor shall be required to collect the tax taxes provided under paragraph (a) hereof, and, to cover the costs of such collection, shall be allowed a discount during any year commencing July 1st and ending the following June 30th in accordance with the schedule set out hereinbelow, which discount shall be allowed at the time of purchase of the stamps when purchase is required by this Act, or at the time when the tax is remitted to the Department without the purchase of stamps from the Department when that method of paying the tax is required or authorized by this Act. ~~Prior to December 1, 1985, a discount equal to 1-2/3% of the amount of the tax up to and including the first \$700,000 paid hereunder by such distributor to the Department during any such year; 1-1/3% of the next \$700,000 of tax or any part thereof, paid hereunder by such distributor to the Department during any such year; 1% of the next \$700,000 of tax, or any part thereof, paid hereunder by such distributor to the Department during any such year, and 2/3 of 1% of the amount of any additional tax paid hereunder by such distributor to the Department during any such year shall apply.~~

On and after December 1, 1985, a discount equal to 1.75% of the amount of the tax payable under this Act up to and including the first \$3,000,000 paid hereunder by such distributor to the Department during any such year and 1.5% of the amount of any additional tax paid hereunder by such distributor to the Department during any such year shall apply.

Two or more distributors that use a common means of affixing revenue tax stamps or that are owned or controlled by the same interests shall be treated as a single distributor for the purpose of computing the discount.

(m) (e) The taxes herein imposed are in addition to all other occupation or privilege taxes imposed by the State of Illinois, or by any political subdivision thereof, or by any municipal corporation.

(Source: P.A. 100-1171, eff. 1-4-19.)

(35 ILCS 130/29 rep.)

Section 15-55. The Cigarette Tax Act is amended by repealing Section 29.

Section 15-60. The Cigarette Use Tax Act is amended by changing Sections 2 and 35 as follows:

(35 ILCS 135/2) (from Ch. 120, par. 453.32)

Sec. 2. Beginning on July 1, 2019, in place of the aggregate tax rate of 99 mills previously imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at the rate of 149 mills per cigarette so used. A tax is imposed upon the privilege of using cigarettes in this State at the rate of 6 mills per cigarette so used. On and after December 1, 1985, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 4 mills per cigarette so used. On and after the effective date of this amendatory Act of 1989, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at the rate of 5 mills per cigarette so used. On and after the effective date of this amendatory Act of 1993, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 7 mills per cigarette so used. On and after December 15, 1997, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 7 mills per cigarette so used. On and after July 1, 2002, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 20.0 mills per cigarette so used. Beginning on June 24, 2012, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 50 mills per cigarette so used. The tax taxes herein imposed shall be in addition to all other occupation or privilege taxes imposed by the State of Illinois or by any political subdivision thereof or by any municipal corporation.

If the When any tax imposed herein terminates or has terminated, distributors who have bought stamps while such tax was in effect and who therefore paid such tax, but who can show, to the Department's satisfaction, that they sold the cigarettes to which they affixed such stamps after such tax had terminated and did not recover the tax or its equivalent from purchasers, shall be allowed by the Department to take credit for such absorbed tax against subsequent tax stamp purchases from the Department by such distributors.

When the word "tax" is used in this Act, it shall include any tax or tax rate imposed by this Act and shall mean the singular of "tax" or the plural "taxes" as the context may require.

Any retailer having cigarettes in its possession on July 1, 2019 to which tax stamps have been affixed is not required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly on those stamped cigarettes. Any distributor having cigarettes in his or her possession on July 1, 2019 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on July 1, 2019 that have not been affixed to packages of cigarettes before July 1, 2019, is required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly to the extent that the volume of affixed and unaffixed stamps in the distributor's possession on July 1, 2019 exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2018. This payment, less the discount provided in Section 3, is due when the distributor first makes a purchase of cigarette stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes in their possession on July 1, 2019 over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in Section 3 on such payments.

Any distributor having cigarettes to which stamps have been affixed in his possession for sale on the effective date of this amendatory Act of 1989 shall not be required to pay the additional tax imposed by this amendatory Act of 1989 on such stamped cigarettes. Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale at 12:01 a.m. on the effective date of this amendatory Act of 1993, is required to pay the additional tax imposed by this amendatory Act of 1993 on such stamped cigarettes. This payment shall be due when the distributor first makes a purchase of cigarette tax stamps after the effective date of this amendatory Act of 1993, or on the first due date of a return under this Act after the effective date of this amendatory Act of 1993, whichever occurs first. Once a distributor tenders payment of the additional tax to the Department, the distributor may purchase stamps from the Department. Any distributor having cigarettes to which stamps have been affixed in his possession for sale on December 15, 1997 shall not be required to pay the additional tax imposed by this amendatory Act of 1997 on such stamped cigarettes.

Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale on July 1, 2002 shall not be required to pay the additional tax imposed by this amendatory Act of the 92nd General Assembly on those stamped cigarettes.

Any retailer having cigarettes in his or her possession on June 24, 2012 to which tax stamps have been affixed is not required to pay the additional tax that begins on June 24, 2012 imposed by this amendatory Act of the 97th General Assembly on those stamped cigarettes. Any distributor having cigarettes in his or her possession on June 24, 2012 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on June 24, 2012 that have not been affixed to packages of cigarettes before June 24, 2012, is required to pay the additional tax that begins on June 24, 2012 imposed by this amendatory Act of the 97th General Assembly to the extent the calendar year 2012 average monthly volume of cigarette stamps in the distributor's possession exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2011. This payment, less the discount provided in Section 3, is due when the distributor first makes a purchase of cigarette stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring on or after June 24, 2012, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring on or after June 24, 2012, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in Section 3 on such payments.

(Source: P.A. 97-688, eff. 6-14-12.)

(35 ILCS 135/35) (from Ch. 120, par. 453.65)

Sec. 35. Distribution of receipts. All moneys received by the Department under this Act shall be distributed as provided in subsection (a) of Section 2 of the Cigarette Tax Act.

(Source: P.A. 88-535.)

Section 15-65. The Tobacco Products Tax Act of 1995 is amended by changing Sections 10-5 and 10-10 as follows:

[June 2, 2019]

(35 ILCS 143/10-5)

Sec. 10-5. Definitions. For purposes of this Act:

"Business" means any trade, occupation, activity, or enterprise engaged in, at any location whatsoever, for the purpose of selling tobacco products.

"Cigarette" has the meaning ascribed to the term in Section 1 of the Cigarette Tax Act.

"Contraband little cigar" means:

(1) packages of little cigars containing 20 or 25 little cigars that do not bear a required tax stamp under this Act;

(2) packages of little cigars containing 20 or 25 little cigars that bear a fraudulent, imitation, or counterfeit tax stamp;

(3) packages of little cigars containing 20 or 25 little cigars that are improperly tax stamped, including packages of little cigars that bear only a tax stamp of another state or taxing jurisdiction; or

(4) packages of little cigars containing other than 20 or 25 little cigars in the possession of a distributor, retailer or wholesaler, unless the distributor, retailer, or wholesaler possesses, or produces within the time frame provided in Section 10-27 or 10-28 of this Act, an invoice from a stamping distributor, distributor, or wholesaler showing that the tax on the packages has been or will be paid.

"Correctional Industries program" means a program run by a State penal institution in which residents of the penal institution produce tobacco products for sale to persons incarcerated in penal institutions or resident patients of a State operated mental health facility.

"Department" means the Illinois Department of Revenue.

"Distributor" means any of the following:

(1) Any manufacturer or wholesaler in this State engaged in the business of selling tobacco products who sells, exchanges, or distributes tobacco products to retailers or consumers in this State.

(2) Any manufacturer or wholesaler engaged in the business of selling tobacco products from without this State who sells, exchanges, distributes, ships, or transports tobacco products to retailers or consumers located in this State, so long as that manufacturer or wholesaler has or maintains within this State, directly or by subsidiary, an office, sales house, or other place of business, or any agent or other representative operating within this State under the authority of the person or subsidiary, irrespective of whether the place of business or agent or other representative is located here permanently or temporarily.

(3) Any retailer who receives tobacco products on which the tax has not been or will not be paid by another distributor.

"Distributor" does not include any person, wherever resident or located, who makes, manufactures, or fabricates tobacco products as part of a Correctional Industries program for sale to residents incarcerated in penal institutions or resident patients of a State operated mental health facility.

"Electronic cigarette" means:

(1) any device that employs a battery or other mechanism to heat a solution or substance to produce a vapor or aerosol intended for inhalation;

(2) any cartridge or container of a solution or substance intended to be used with or in the device or to refill the device; or

(3) any solution or substance, whether or not it contains nicotine, intended for use in the device.

"Electronic cigarette" includes, but is not limited to, any electronic nicotine delivery system, electronic cigar, electronic cigarillo, electronic pipe, electronic hookah, vape pen, or similar product or device, and any component or part that can be used to build the product or device. "Electronic cigarette" does not include: cigarettes, as defined in Section 1 of the Cigarette Tax Act; any product approved by the United States Food and Drug Administration for sale as a tobacco cessation product, a tobacco dependence product, or for other medical purposes that is marketed and sold solely for that approved purpose; any asthma inhaler prescribed by a physician for that condition that is marketed and sold solely for that approved purpose; or any therapeutic product approved for use under the Compassionate Use of Medical Cannabis Pilot Program Act.

"Little cigar" means and includes any roll, made wholly or in part of tobacco, where such roll has an integrated cellulose acetate filter and weighs less than 4 pounds per thousand and the wrapper or cover of which is made in whole or in part of tobacco.

"Manufacturer" means any person, wherever resident or located, who manufactures and sells tobacco products, except a person who makes, manufactures, or fabricates tobacco products as a part of a

Correctional Industries program for sale to persons incarcerated in penal institutions or resident patients of a State operated mental health facility.

Beginning on January 1, 2013, "moist snuff" means any finely cut, ground, or powdered tobacco that is not intended to be smoked, but shall not include any finely cut, ground, or powdered tobacco that is intended to be placed in the nasal cavity.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint venture, limited liability company, or public or private corporation, however formed, or a receiver, executor, administrator, trustee, conservator, or other representative appointed by order of any court.

"Place of business" means and includes any place where tobacco products are sold or where tobacco products are manufactured, stored, or kept for the purpose of sale or consumption, including any vessel, vehicle, airplane, train, or vending machine.

"Retailer" means any person in this State engaged in the business of selling tobacco products to consumers in this State, regardless of quantity or number of sales.

"Sale" means any transfer, exchange, or barter in any manner or by any means whatsoever for a consideration and includes all sales made by persons.

"Stamp" or "stamps" mean the indicia required to be affixed on a package of little cigars that evidence payment of the tax on packages of little cigars containing 20 or 25 little cigars under Section 10-10 of this Act. These stamps shall be the same stamps used for cigarettes under the Cigarette Tax Act.

"Stamping distributor" means a distributor licensed under this Act and also licensed as a distributor under the Cigarette Tax Act or Cigarette Use Tax Act.

"Tobacco products" means any cigars, including little cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff (including moist snuff) or snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings, and sweeping of tobacco; and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking; but does not include cigarettes as defined in Section 1 of the Cigarette Tax Act or tobacco purchased for the manufacture of cigarettes by cigarette distributors and manufacturers defined in the Cigarette Tax Act and persons who make, manufacture, or fabricate cigarettes as a part of a Correctional Industries program for sale to residents incarcerated in penal institutions or resident patients of a State operated mental health facility.

Beginning on July 1, 2019, "tobacco products" also includes electronic cigarettes.

"Wholesale price" means the established list price for which a manufacturer sells tobacco products to a distributor, before the allowance of any discount, trade allowance, rebate, or other reduction. In the absence of such an established list price, the manufacturer's invoice price at which the manufacturer sells the tobacco product to unaffiliated distributors, before any discounts, trade allowances, rebates, or other reductions, shall be presumed to be the wholesale price.

"Wholesaler" means any person, wherever resident or located, engaged in the business of selling tobacco products to others for the purpose of resale. "Wholesaler", when used in this Act, does not include a person licensed as a distributor under Section 10-20 of this Act unless expressly stated in this Act. (Source: P.A. 97-688, eff. 6-14-12; 98-273, eff. 8-9-13; 98-1055, eff. 1-1-16.)

(35 ILCS 143/10-10)

Sec. 10-10. Tax imposed.

(a) Except as otherwise provided in this Section with respect to little cigars, on the first day of the third month after the month in which this Act becomes law, a tax is imposed on any person engaged in business as a distributor of tobacco products, as defined in Section 10-5, at the rate of (i) 18% of the wholesale price of tobacco products sold or otherwise disposed of to retailers or consumers located in this State prior to July 1, 2012 and (ii) 36% of the wholesale price of tobacco products sold or otherwise disposed of to retailers or consumers located in this State beginning on July 1, 2012; except that, beginning on January 1, 2013, the tax on moist snuff shall be imposed at a rate of \$0.30 per ounce, and a proportionate tax at the like rate on all fractional parts of an ounce, sold or otherwise disposed of to retailers or consumers located in this State; and except that, beginning July 1, 2019, the tax on electronic cigarettes shall be imposed at the rate of 15% of the wholesale price of electronic cigarettes sold or otherwise disposed of to retailers or consumers located in this State. The tax is in addition to all other occupation or privilege taxes imposed by the State of Illinois, by any political subdivision thereof, or by any municipal corporation. However, the tax is not imposed upon any activity in that business in interstate commerce or otherwise, to the extent to which that activity may not, under the Constitution and Statutes of the United States, be made the subject of taxation by this State, and except that, beginning July 1, 2013, the tax on little cigars shall be imposed at the same rate, and the proceeds shall be distributed in the same manner, as the tax imposed on cigarettes

under the Cigarette Tax Act. The tax is also not imposed on sales made to the United States or any entity thereof.

(b) Notwithstanding subsection (a) of this Section, stamping distributors of packages of little cigars containing 20 or 25 little cigars sold or otherwise disposed of in this State shall remit the tax by purchasing tax stamps from the Department and affixing them to packages of little cigars in the same manner as stamps are purchased and affixed to cigarettes under the Cigarette Tax Act, unless the stamping distributor sells or otherwise disposes of those packages of little cigars to another stamping distributor. Only persons meeting the definition of "stamping distributor" contained in Section 10-5 of this Act may affix stamps to packages of little cigars containing 20 or 25 little cigars. Stamping distributors may not sell or dispose of little cigars at retail to consumers or users at locations where stamping distributors affix stamps to packages of little cigars containing 20 or 25 little cigars.

(c) The impact of the tax levied by this Act is imposed upon distributors engaged in the business of selling tobacco products to retailers or consumers in this State. Whenever a stamping distributor brings or causes to be brought into this State from without this State, or purchases from without or within this State, any packages of little cigars containing 20 or 25 little cigars upon which there are no tax stamps affixed as required by this Act, for purposes of resale or disposal in this State to a person not a stamping distributor, then such stamping distributor shall pay the tax to the Department and add the amount of the tax to the price of such packages sold by such stamping distributor. Payment of the tax shall be evidenced by a stamp or stamps affixed to each package of little cigars containing 20 or 25 little cigars.

Stamping distributors paying the tax to the Department on packages of little cigars containing 20 or 25 little cigars sold to other distributors, wholesalers or retailers shall add the amount of the tax to the price of the packages of little cigars containing 20 or 25 little cigars sold by such stamping distributors.

(d) Beginning on January 1, 2013, the tax rate imposed per ounce of moist snuff may not exceed 15% of the tax imposed upon a package of 20 cigarettes pursuant to the Cigarette Tax Act.

(e) All moneys received by the Department under this Act from sales occurring prior to July 1, 2012 shall be paid into the Long-Term Care Provider Fund of the State Treasury. Of the moneys received by the Department from sales occurring on or after July 1, 2012, except for moneys received from the tax imposed on the sale of little cigars, 50% shall be paid into the Long-Term Care Provider Fund and 50% shall be paid into the Healthcare Provider Relief Fund. Beginning July 1, 2013, all moneys received by the Department under this Act from the tax imposed on little cigars shall be distributed as provided in ~~subsection (a)~~ of Section 2 of the Cigarette Tax Act.

(Source: P.A. 97-688, eff. 6-14-12; 98-273, eff. 8-9-13.)

Section 15-75. The Motor Vehicle Retail Installment Sales Act is amended by changing Section 11.1 as follows:

(815 ILCS 375/11.1) (from Ch. 121 1/2, par. 571.1)

Sec. 11.1.

(a) A seller in a retail installment contract may add a "documentary fee" for processing documents and performing services related to closing of a sale. The maximum amount that may be charged by a seller for a documentary fee is the base documentary fee beginning January 1, 2008 until January 1, 2020, of \$150, which shall be subject to an annual rate adjustment equal to the percentage of change in the Bureau of Labor Statistics Consumer Price Index. Every retail installment contract under this Act shall contain or be accompanied by a notice containing the following information:

"DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING JANUARY 1, 2008, WAS \$150. THE MAXIMUM AMOUNT THAT MAY BE CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF \$150, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

(b) A seller in a retail installment contract may add a "documentary fee" for processing documents and performing services related to closing of a sale. The maximum amount that may be charged by a seller for a documentary fee is the base documentary fee beginning January 1, 2020, of \$300, which shall be subject to an annual rate adjustment equal to the percentage of change in the Bureau of Labor Statistics Consumer Price Index. Every retail installment contract under this Act shall contain or be accompanied by a notice containing the following information:

"DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR

HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING JANUARY 1, 2020, WAS \$300. THE MAXIMUM AMOUNT THAT MAY BE CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF \$300, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

(Source: P.A. 95-280, eff. 1-1-08.)

Article 20. Illinois Works Jobs Program Act

Section 20-1. Short title. This Article may be cited as the Illinois Works Jobs Program Act. References in this Article to "this Act" mean this Article.

Section 20-5. Findings. It is in the public policy interest of the State to ensure that all Illinois residents have access to State capital projects and careers in the construction industry and building trades, including those who have been historically underrepresented in those trades. To ensure that those interests are met, the General Assembly hereby creates the Illinois Works Preapprenticeship Program and the Illinois Works Apprenticeship Initiative.

Section 20-10. Definitions.

"Apprentice" means a participant in an apprenticeship program approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training.

"Apprenticeship program" means an apprenticeship and training program approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training.

"Bid credit" means a virtual dollar for a contractor or subcontractor to use toward future bids for public works contracts.

"Community-based organization" means a nonprofit organization selected by the Department to participate in the Illinois Works Preapprenticeship Program. To qualify as a "community-based organization", the organization must demonstrate the following:

- (1) the ability to effectively serve diverse and underrepresented populations, including by providing employment services to such populations;
- (2) knowledge of the construction and building trades;
- (3) the ability to recruit, prescreen, and provide preapprenticeship training to prepare workers for employment in the construction and building trades; and
- (4) a plan to provide the following:
 - (A) preparatory classes;
 - (B) workplace readiness skills, such as resume preparation and interviewing techniques;
 - (C) strategies for overcoming barriers to entry and completion of an apprenticeship program; and
 - (D) any prerequisites for acceptance into an apprenticeship program.

"Contractor" means a person, corporation, partnership, limited liability company, or joint venture entering into a contract with the State or any State agency to construct a public work.

"Department" means the Department of Commerce and Economic Opportunity.

"Labor hours" means the total hours for workers who are receiving an hourly wage and who are directly employed for the public works project. "Labor hours" includes hours performed by workers employed by the contractor and subcontractors on the public works project. "Labor hours" does not include hours worked by the forepersons, superintendents, owners, and workers who are not subject to prevailing wage requirements.

"Minorities" means minority persons as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"Public works" means all projects that constitute public works under the Prevailing Wage Act.

"Subcontractor" means a person, corporation, partnership, limited liability company, or joint venture that has contracted with the contractor to perform all or part of the work to construct a public work by a contractor.

"Underrepresented populations" means populations identified by the Department that historically have had barriers to entry or advancement in the workforce. "Underrepresented populations" includes, but is not limited to, minorities, women, and veterans.

Section 20-15. Illinois Works Preapprenticeship Program; Illinois Works Bid Credit Program.

(a) The Illinois Works Preapprenticeship Program is established and shall be administered by the Department. The goal of the Illinois Works Preapprenticeship Program is to create a network of community-based organizations throughout the State that will recruit, prescreen, and provide preapprenticeship skills training to create a qualified, diverse pipeline of workers who are prepared for careers in the construction and building trades. Upon completion of the Illinois Works Preapprenticeship Program, the candidates will be skilled and work-ready.

(b) There is created the Illinois Works Fund, a special fund in the State treasury. The Illinois Works Fund shall be administered by the Department. The Illinois Works Fund shall be used to provide funding for community-based organizations throughout the State. In addition to any other transfers that may be provided for by law, on and after July 1, 2019 and until June 30, 2020, at the direction of the Director of the Governor's Office of Management and Budget, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$25,000,000 from the Rebuild Illinois Projects Fund to the Illinois Works Fund.

(c) Each community-based organization that receives funding from the Illinois Works Fund shall provide an annual report to the Illinois Works Review Panel by April 1 of each calendar year. The annual report shall include the following information:

(1) a description of the community-based organization's recruitment, screening, and training efforts;

(2) the number of individuals who apply to, participate in, and complete the community-based organization's program, broken down by race, gender, age, and veteran status; and

(3) the number of the individuals referenced in item (2) of this subsection who are initially accepted and placed into apprenticeship programs in the construction and building trades.

(d) The Department shall create and administer the Illinois Works Bid Credit Program that shall provide economic incentives, through bid credits, to encourage contractors and subcontractors to provide contracting and employment opportunities to historically underrepresented populations in the construction industry.

The Illinois Works Bid Credit Program shall allow contractors and subcontractors to earn bid credits for use toward future bids for public works projects in order to increase the chances that the contractor and the subcontractors will be selected.

Contractors or subcontractors may be eligible for bid credits for employing apprentices who have completed the Illinois Works Preapprenticeship Program. Contractors or subcontractors shall earn bid credits at a rate established by the Department and published on the Department's website, including any appropriate caps.

The Illinois Works Credit Bank is hereby created and shall be administered by the Department. The Illinois Works Credit Bank shall track the bid credits.

A contractor or subcontractor who has been awarded bid credits under any other State program for employing apprentices who have completed the Illinois Works Preapprenticeship Program is not eligible to receive bid credits under the Illinois Works Bid Credit Program relating to the same contract.

The Department shall report to the Illinois Works Review Panel the following: (i) the number of bid credits awarded by the Department; (ii) the number of bid credits submitted by the contractor or subcontractor to the agency administering the public works contract; and (iii) the number of bid credits accepted by the agency for such contract. Any agency that awards bid credits pursuant to the Illinois Works Credit Bank Program shall report to the Department the number of bid credits it accepted for the public works contract.

Upon a finding that a contractor or subcontractor has reported falsified records to the Department in order to fraudulently obtain bid credits, the Department shall permanently bar the contractor or subcontractor from participating in the Illinois Works Bid Credit Program and may suspend the contractor or subcontractor from bidding on or participating in any public works project. False or fraudulent claims for payment relating to false bid credits may be subject to damages and penalties under applicable law.

(e) The Department shall adopt any rules deemed necessary to implement this Section.

Section 20-20. Illinois Works Apprenticeship Initiative.

(a) The Illinois Works Apprenticeship Initiative is established and shall be administered by the Department.

(1) Subject to the exceptions set forth in subsection (b) of this Section, apprentices shall be utilized on all public works projects in accordance with this subsection (a).

(2) For public works projects, the goal of the Illinois Works Apprenticeship Initiative

is that apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less.

(b) Before or during the term of a contract subject to this Section, the Department may reduce or waive the goals set forth in paragraph (2) of subsection (a). Prior to the Department granting a request for a reduction or waiver, the Department shall hold a public hearing and shall consult with the Business Enterprise Council under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act and the Chief Procurement Officer of the agency administering the public works contract. The Department may grant a reduction or waiver upon a determination that:

- (1) the contractor or subcontractor has demonstrated that insufficient apprentices are available;
- (2) the reasonable and necessary requirements of the contract do not allow the goal to be met;
- (3) there is a disproportionately high ratio of material costs to labor hours that makes meeting the goal infeasible; or
- (4) apprentice labor hour goals conflict with existing requirements, including federal requirements, in connection with the public work.

(c) Contractors and subcontractors must submit a certification to the Department and the agency that is administering the contract demonstrating that the contractor or subcontractor has either:

- (1) met the apprentice labor hour goals set forth in paragraph (2) of subsection (a);
- or
- (2) received a reduction or waiver pursuant to subsection (b).

It shall be deemed to be a material breach of the contract and entitle the State to declare a default, terminate the contract, and exercise those remedies provided for in the contract, at law, or in equity if the contractor or subcontractor fails to submit the certification required in this subsection or submits false or misleading information.

(d) No later than one year after the effective date of this Act, and by April 1 of every calendar year thereafter, the Department of Labor shall submit a report to the Illinois Works Review Panel regarding the use of apprentices under the Illinois Works Apprenticeship Initiative for public works projects. To the extent it is available, the report shall include the following information:

- (1) the total number of labor hours on each project and the percentage of labor hours actually worked by apprentices on each public works project;
- (2) the number of apprentices used in each public works project, broken down by trade;
- and
- (3) the number and percentage of minorities, women, and veterans utilized as apprentices on each public works project.

(e) The Department shall adopt any rules deemed necessary to implement the Illinois Works Apprenticeship Initiative.

(f) The Illinois Works Apprenticeship Initiative shall not interfere with any contracts or program in existence on the effective date of this Act.

Section 20-25. The Illinois Works Review Panel.

(a) The Illinois Works Review Panel is created and shall be comprised of 11 members, each serving 3-year terms. The Speaker of the House of Representatives and the President of the Senate shall each appoint 2 members. The Minority Leader of the House of Representatives and the Minority Leader of the Senate shall each appoint one member. The Director of Commerce and Economic Opportunity, or his or her designee, shall serve as a member. The Governor shall appoint the following individuals to serve as members: a representative from a contractor organization; a representative from a labor organization; and 2 members of the public with workforce development expertise, one of whom shall be a representative of a nonprofit organization that addresses workforce development.

(b) The members of the Illinois Works Review Panel shall make recommendations to the Department regarding identification and evaluation of community-based organizations.

(c) The Illinois Works Review Panel shall meet, at least quarterly, to review and evaluate (i) the Illinois Works Preapprenticeship Program and the Illinois Works Apprenticeship Initiative, (ii) ideas to diversify the workforce in the construction industry in Illinois, and (iii) workforce demographic data collected by the Illinois Department of Labor.

(d) All State contracts shall include a requirement that the contractor and subcontractor shall, upon reasonable notice, appear before and respond to requests for information from the Illinois Works Review Panel.

(e) By August 1, 2020, and every August 1 thereafter, the Illinois Works Review Panel shall report to the General Assembly on its evaluation of the Illinois Works Preapprenticeship Program and the Illinois Works Apprenticeship initiative, including any recommended modifications.

Section 20-900. The State Finance Act is amended by adding Section 5.895 as follows:
(30 ILCS 105/5.895 new)

Sec. 5.895. The Illinois Works Fund.

Section 20-905. The Illinois Procurement Code is amended by changing Section 20-10 as follows:
(30 ILCS 500/20-10)

(Text of Section from P.A. 96-159, 96-588, 97-96, 97-895, 98-1076, 99-906 and 100-43)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 calendar days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly or through an electronic procurement system in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, including earned and applied bid credit from the Illinois Works Jobs Program Act, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, the total contract price, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

The written explanation shall be filed with the Legislative Audit Commission and the Procurement Policy Board, and be made available for inspection by the public, within 30 calendar days after the agency's decision to award the contract.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under Section 1-56, subsections (a) and (c) of Section 1-75 and subsection (d) of Section 1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to

procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c).

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 calendar days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects, including design professional services.

(Source: P.A. 99-906, eff. 6-1-17; 100-43, eff. 8-9-17.)

(Text of Section from P.A. 96-159, 96-795, 97-96, 97-895, 98-1076, 99-906, and 100-43)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 calendar days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly or through an electronic procurement system in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, including earned and applied bid credit from the Illinois Works Jobs Program Act, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

(1) a description of the agency's needs;

- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, the total contract price, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

The written explanation shall be filed with the Legislative Audit Commission and the Procurement Policy Board, and be made available for inspection by the public, within 30 days after the agency's decision to award the contract.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under subsections (a) and (c) of Section 1-75 and subsection (d) of Section 1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c). Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 calendar days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects, including design professional services.

(Source: P.A. 99-906, eff. 6-1-17; 100-43, eff. 8-9-17.)

Section 20-910. The Prevailing Wage Act is amended by changing Section 5 as follows:

(820 ILCS 130/5) (from Ch. 48, par. 398-5)

(Text of Section before amendment by P.A. 100-1177)

Sec. 5. Certified payroll.

(a) Any contractor and each subcontractor who participates in public works shall:

- (1) make and keep, for a period of not less than 3 years from the date of the last payment made before January 1, 2014 (the effective date of Public Act 98-328) and for a period of 5 years from the date of the last payment made on or after January 1, 2014 (the effective date of Public Act 98-328) on a contract or subcontract for public works, records of all laborers, mechanics, and other workers employed by them on the project; the records shall include (i) the worker's name, (ii) the worker's address, (iii) the worker's telephone number when available, (iv) the worker's social security number, (v) the worker's classification or classifications, (vi) the worker's skill level, such as apprentice or journeyman, (vii) ~~(vi)~~ the worker's gross and net wages paid in each pay period, (viii) ~~(vii)~~ the worker's number of hours worked each day, (ix) ~~(viii)~~ the worker's starting and ending times of work each day, (x) ~~(ix)~~ the worker's hourly wage rate, (xi) ~~(x)~~ the worker's hourly overtime wage rate, (xii)

(~~xi~~) the worker's hourly fringe benefit rates, (~~xiii~~) (~~xii~~) the name and address of each fringe benefit fund, (~~xiv~~) (~~xiii~~) the plan sponsor of each fringe benefit, if applicable, and (~~xv~~) (~~xiv~~) the plan administrator of each fringe benefit, if applicable; and

(2) no later than the 15th day of each calendar month file a certified payroll for the immediately preceding month with the public body in charge of the project. A certified payroll must be filed for only those calendar months during which construction on a public works project has occurred. The certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (a), but may exclude the starting and ending times of work each day. The certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that: (i) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; (ii) the hourly rate paid to each worker is not less than the general prevailing rate of hourly wages required by this Act; and (iii) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor. A general contractor is not prohibited from relying on the certification of a lower tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification. Any contractor or subcontractor subject to this Act and any officer, employee, or agent of such contractor or subcontractor whose duty as such officer, employee, or agent it is to file such certified payroll who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor. The public body in charge of the project shall keep the records submitted in accordance with this paragraph (2) of subsection (a) before January 1, 2014 (the effective date of Public Act 98-328) for a period of not less than 3 years, and the records submitted in accordance with this paragraph (2) of subsection (a) on or after January 1, 2014 (the effective date of Public Act 98-328) for a period of 5 years, from the date of the last payment for work on a contract or subcontract for public works. The records submitted in accordance with this paragraph (2) of subsection (a) shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The public body shall accept any reasonable submissions by the contractor that meet the requirements of this Section.

A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

(b) Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of subsection (a) of this Section to the public body in charge of the project, its officers and agents, the Director of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(c) A contractor or subcontractor who remits contributions to fringe benefit funds that are jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act shall make and keep certified payroll records that include the information required under items (i) through (~~ix~~) (~~viii~~) of paragraph (1) of subsection (a) only. However, the information required under items (~~x~~) (~~ix~~) through (~~xv~~) (~~xiv~~) of paragraph (1) of subsection (a) shall be required for any contractor or subcontractor who remits contributions to a fringe benefit fund that is not jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act.

(Source: P.A. 97-571, eff. 1-1-12; 98-328, eff. 1-1-14; 98-482, eff. 1-1-14; 98-756, eff. 7-16-14.)

(Text of Section after amendment by P.A. 100-1177)

Sec. 5. Certified payroll.

(a) Any contractor and each subcontractor who participates in public works shall:

(1) make and keep, for a period of not less than 3 years from the date of the last payment made before January 1, 2014 (the effective date of Public Act 98-328) and for a period of 5 years from the date of the last payment made on or after January 1, 2014 (the effective date of Public Act 98-328) on a contract or subcontract for public works, records of all laborers, mechanics, and other workers employed by them on the project; the records shall include (i) the worker's name, (ii) the worker's address, (iii) the worker's telephone number when available, (iv) the last 4 digits of the worker's social security number, (v) the worker's gender, (vi) the worker's race, (vii) the worker's ethnicity, (viii) veteran status, (ix) the worker's classification or classifications, (~~x~~) the worker's skill level, such as apprentice or journeyman, (~~xi~~) (~~x~~) the worker's gross and net wages paid in each pay period, (~~xii~~) (~~xi~~) the worker's number of hours worked each day, (~~xiii~~) (~~xii~~) the worker's starting and ending times of

work each day, ~~(xiv)~~ ~~(xiii)~~ the worker's hourly wage rate, ~~(xv)~~ ~~(xiv)~~ the worker's hourly overtime wage rate, ~~(xvi)~~ ~~(xv)~~ the worker's hourly fringe benefit rates, ~~(xvii)~~ ~~(xvi)~~ the name and address of each fringe benefit fund, ~~(xviii)~~ ~~(xvii)~~ the plan sponsor of each fringe benefit, if applicable, and ~~(xix)~~ ~~(xviii)~~ the plan administrator of each fringe benefit, if applicable; and

(2) no later than the 15th day of each calendar month file a certified payroll for the immediately preceding month with the public body in charge of the project until the Department of Labor activates the database created under Section 5.1 at which time certified payroll shall only be submitted to that database, except for projects done by State agencies that opt to have contractors submit certified payrolls directly to that State agency. A State agency that opts to directly receive certified payrolls must submit the required information in a specified electronic format to the Department of Labor no later than 10 days after the certified payroll was filed with the State agency. A certified payroll must be filed for only those calendar months during which construction on a public works project has occurred. The certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (a), but may exclude the starting and ending times of work each day. The certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that: (i) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; (ii) the hourly rate paid to each worker is not less than the general prevailing rate of hourly wages required by this Act; and (iii) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor. A general contractor is not prohibited from relying on the certification of a lower tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification. Any contractor or subcontractor subject to this Act and any officer, employee, or agent of such contractor or subcontractor whose duty as such officer, employee, or agent it is to file such certified payroll who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor. The public body in charge of the project shall keep the records submitted in accordance with this paragraph (2) of subsection (a) before January 1, 2014 (the effective date of Public Act 98-328) for a period of not less than 3 years, and the records submitted in accordance with this paragraph (2) of subsection (a) on or after January 1, 2014 (the effective date of Public Act 98-328) for a period of 5 years, from the date of the last payment for work on a contract or subcontract for public works or until the Department of Labor activates the database created under Section 5.1, whichever is less. After the activation of the database created under Section 5.1, the Department of Labor rather than the public body in charge of the project shall keep the records and maintain the database. The records submitted in accordance with this paragraph (2) of subsection (a) shall be considered public records, except an employee's address, telephone number, social security number, race, ethnicity, and gender, and made available in accordance with the Freedom of Information Act. The public body shall accept any reasonable submissions by the contractor that meet the requirements of this Section.

A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

(b) Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of subsection (a) of this Section to the public body in charge of the project, its officers and agents, the Director of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(c) A contractor or subcontractor who remits contributions to fringe benefit funds that are jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act shall make and keep certified payroll records that include the information required under items (i) through (viii) of paragraph (1) of subsection (a) only. However, the information required under items (ix) through ~~(xv)~~ ~~(xiv)~~ of paragraph (1) of subsection (a) shall be required for any contractor or subcontractor who remits contributions to a fringe benefit fund that is not jointly maintained and jointly governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act.

(Source: P.A. 100-1177, eff. 6-1-19.)

Article 25. Sports Wagering Act

Section 25-1. Short title. This Article may be cited as the Sports Wagering Act. References in this Article to "this Act" mean this Article.

[June 2, 2019]

Section 25-5. Legislative findings. The General Assembly recognizes the promotion of public safety is an important consideration for sports leagues, teams, players, and fans at large. All persons who present sporting contests are encouraged to take reasonable measures to ensure the safety and security of all involved or attending sporting contests. Persons who present sporting contests are encouraged to establish codes of conduct that forbid all persons associated with the sporting contest from engaging in violent behavior and to hire, train, and equip safety and security personnel to enforce those codes of conduct. Persons who present sporting contests are further encouraged to provide public notice of those codes of conduct.

Section 25-10. Definitions. As used in this Act:

"Adjusted gross sports wagering receipts" means a master sports wagering licensee's gross sports wagering receipts, less winnings paid to wagerers in such games.

"Athlete" means any current or former professional athlete or collegiate athlete.

"Board" means the Illinois Gaming Board.

"Covered persons" includes athletes; umpires, referees, and officials; personnel associated with clubs, teams, leagues, and athletic associations; medical professionals (including athletic trainers) who provide services to athletes and players; and the family members and associates of these persons where required to serve the purposes of this Act.

"Department" means the Department of the Lottery.

"Gaming facility" means a facility at which gambling operations are conducted under the Illinois Gambling Act, pari-mutuel wagering is conducted under the Illinois Horse Racing Act of 1975, or sports wagering is conducted under this Act.

"Official league data" means statistics, results, outcomes, and other data related to a sports event obtained pursuant to an agreement with the relevant sports governing body, or an entity expressly authorized by the sports governing body to provide such information to licensees, that authorizes the use of such data for determining the outcome of tier 2 sports wagers on such sports events.

"Organization licensee" has the meaning given to that term in the Illinois Horse Racing Act of 1975.

"Owners licensee" means the holder of an owners license under the Illinois Gambling Act.

"Person" means an individual, partnership, committee, association, corporation, or any other organization or group of persons.

"Personal biometric data" means an athlete's information derived from DNA, heart rate, blood pressure, perspiration rate, internal or external body temperature, hormone levels, glucose levels, hydration levels, vitamin levels, bone density, muscle density, and sleep patterns.

"Prohibited conduct" includes any statement, action, and other communication intended to influence, manipulate, or control a betting outcome of a sporting contest or of any individual occurrence or performance in a sporting contest in exchange for financial gain or to avoid financial or physical harm. "Prohibited conduct" includes statements, actions, and communications made to a covered person by a third party, such as a family member or through social media. "Prohibited conduct" does not include statements, actions, or communications made or sanctioned by a team or sports governing body.

"Qualified applicant" means an applicant for a license under this Act whose application meets the mandatory minimum qualification criteria as required by the Board.

"Sporting contest" means a sports event or game on which the State allows sports wagering to occur under this Act.

"Sports event" means a professional sport or athletic event, a collegiate sport or athletic event, a motor race event, or any other event or competition of relative skill authorized by the Board under this Act.

"Sports facility" means a facility that hosts sports events and holds a seating capacity greater than 17,000 persons.

"Sports governing body" means the organization that prescribes final rules and enforces codes of conduct with respect to a sports event and participants therein.

"Sports wagering" means accepting wagers on sports events or portions of sports events, or on the individual performance statistics of athletes in a sports event or combination of sports events, by any system or method of wagering, including, but not limited to, in person or over the Internet through websites and on mobile devices. "Sports wagering" includes, but is not limited to, single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets.

"Sports wagering account" means a financial record established by a master sports wagering licensee for an individual patron in which the patron may deposit and withdraw funds for sports wagering and other

authorized purchases and to which the master sports wagering licensee may credit winnings or other amounts due to that patron or authorized by that patron.

"Tier 1 sports wager" means a sports wager that is determined solely by the final score or final outcome of the sports event and is placed before the sports event has begun.

"Tier 2 sports wager" means a sports wager that is not a tier 1 sports wager.

"Wager" means a sum of money or thing of value risked on an uncertain occurrence.

"Winning bidder" means a qualified applicant for a master sports wagering license chosen through the competitive selection process under Section 25-45.

Section 25-15. Board duties and powers.

(a) Except for sports wagering conducted under Section 25-70, the Board shall have the authority to regulate the conduct of sports wagering under this Act.

(b) The Board may adopt any rules the Board considers necessary for the successful implementation, administration, and enforcement of this Act, except for Section 25-70. Rules proposed by the Board may be adopted as emergency rules pursuant to Section 5-45 of the Illinois Administrative Procedure Act.

(c) The Board shall levy and collect all fees, surcharges, civil penalties, and monthly taxes on adjusted gross sports wagering receipts imposed by this Act and deposit all moneys into the Sports Wagering Fund, except as otherwise provided under this Act.

(d) The Board may exercise any other powers necessary to enforce the provisions of this Act that it regulates and the rules of the Board.

(e) The Board shall adopt rules for a license to be employed by a master sports wagering licensee when the employee works in a designated gaming area that has sports wagering or performs duties in furtherance of or associated with the operation of sports wagering by the master sports wagering licensee (occupational license), which shall require an annual license fee of \$250. License fees shall be deposited into the State Gaming Fund and used for the administration of this Act.

(f) The Board may require that licensees share, in real time and at the sports wagering account level, information regarding a wagerer, amount and type of wager, the time the wager was placed, the location of the wager, including the Internet protocol address, if applicable, the outcome of the wager, and records of abnormal wagering activity. Information shared under this subsection (f) must be submitted in the form and manner as required by rule. If a sports governing body has notified the Board that real-time information sharing for wagers placed on its sports events is necessary and desirable, licensees may share the same information in the form and manner required by the Board by rule with the sports governing body or its designee with respect to wagers on its sports events subject to applicable federal, State, or local laws or regulations, including, without limitation, privacy laws and regulations. Such information may be provided in anonymized form and may be used by a sports governing body solely for integrity purposes. For purposes of this subsection (f), "real-time" means a commercially reasonable periodic interval.

(g) A master sports wagering licensee, professional sports team, league, or association, sports governing body, or institution of higher education may submit to the Board in writing a request to prohibit a type or form of wagering if the master sports wagering licensee, professional sports team, league, or association, sports governing body, or institution of higher education believes that such wagering by type or form is contrary to public policy, unfair to consumers, or affects the integrity of a particular sport or the sports betting industry. The Board shall grant the request upon a demonstration of good cause from the requester and consultation with licensees. The Board shall respond to a request pursuant to this subsection (g) concerning a particular event before the start of the event or, if it is not feasible to respond before the start of the event, as soon as practicable.

(h) The Board and master sports wagering licensees may cooperate with investigations conducted by sports governing bodies or law enforcement agencies, including, but not limited to, providing and facilitating the provision of account-level betting information and audio or video files relating to persons placing wagers.

(i) A master sports wagering licensee shall make commercially reasonable efforts to promptly notify the Board any information relating to:

- (1) criminal or disciplinary proceedings commenced against the master sports wagering licensee in connection with its operations;
- (2) abnormal wagering activity or patterns that may indicate a concern with the integrity of a sports event or sports events;
- (3) any potential breach of the relevant sports governing body's internal rules and codes of conduct pertaining to sports wagering that a licensee has knowledge of;
- (4) any other conduct that corrupts a wagering outcome of a sports event or sports events for purposes of financial gain, including match fixing; and

(5) suspicious or illegal wagering activities, including use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, using agents to place wagers, and using false identification.

A master sports wagering licensee shall also make commercially reasonable efforts to promptly report information relating to conduct described in paragraphs (2), (3), and (4) of this subsection (i) to the relevant sports governing body.

Section 25-20. Licenses required.

(a) No person may engage in any activity in connection with sports wagering in this State unless all necessary licenses have been obtained in accordance with this Act and the rules of the Board and the Department. The following licenses shall be issued under this Act:

- (1) master sports wagering license;
- (2) occupational license;
- (3) supplier license;
- (4) management services provider license
- (5) tier 2 official league data provider license; and
- (6) central system provider license.

No person or entity may engage in a sports wagering operation or activity without first obtaining the appropriate license.

(b) An applicant for a license issued under this Act shall submit an application to the Board in the form the Board requires. The applicant shall submit fingerprints for a national criminal records check by the Department of State Police and the Federal Bureau of Investigation. The fingerprints shall be furnished by the applicant's officers and directors (if a corporation), members (if a limited liability company), and partners (if a partnership). The fingerprints shall be accompanied by a signed authorization for the release of information by the Federal Bureau of Investigation. The Board may require additional background checks on licensees when they apply for license renewal, and an applicant convicted of a disqualifying offense shall not be licensed.

(c) Each master sports wagering licensee shall display the license conspicuously in the licensee's place of business or have the license available for inspection by an agent of the Board or a law enforcement agency.

(d) Each holder of an occupational license shall carry the license and have some indicia of licensure prominently displayed on his or her person when present in a gaming facility licensed under this Act at all times, in accordance with the rules of the Board.

(e) Each person licensed under this Act shall give the Board written notice within 30 days after a material change to information provided in the licensee's application for a license or renewal.

Section 25-25. Sports wagering authorized.

(a) Notwithstanding any provision of law to the contrary, the operation of sports wagering is only lawful when conducted in accordance with the provisions of this Act and the rules of the Illinois Gaming Board and the Department of the Lottery.

(b) A person placing a wager under this Act shall be at least 21 years of age.

(c) A licensee under this Act may not accept a wager on a minor league sports event.

(d) A licensee under this Act may not accept a wager for a sports event involving an Illinois collegiate team.

(e) A licensee under this Act may only accept a wager from a person physically located in the State.

(f) Master sports wagering licensees may use any data source for determining the results of all tier 1 sports wagers.

(g) A sports governing body headquartered in the United States may notify the Board that it desires to supply official league data to master sports wagering licensees for determining the results of tier 2 sports wagers. Such notification shall be made in the form and manner as the Board may require. If a sports governing body does not notify the Board of its desire to supply official league data, a master sports wagering licensee may use any data source for determining the results of any and all tier 2 sports wagers on sports contests for that sports governing body.

Within 30 days of a sports governing body notifying the Board, master sports wagering licensees shall use only official league data to determine the results of tier 2 sports wagers on sports events sanctioned by that sports governing body, unless: (1) the sports governing body or designee cannot provide a feed of official league data to determine the results of a particular type of tier 2 sports wager, in which case master sports wagering licensees may use any data source for determining the results of the applicable tier 2 sports wager until such time as such data feed becomes available on commercially reasonable terms; or (2) a

master sports wagering licensee can demonstrate to the Board that the sports governing body or its designee cannot provide a feed of official league data to the master sports wagering licensee on commercially reasonable terms. During the pendency of the Board's determination, such master sports wagering licensee may use any data source for determining the results of any and all tier 2 sports wagers.

(h) A licensee under this Act may not accept wagers on a kindergarten through 12th grade sports event.

Section 25-30. Master sports wagering license issued to an organization licensee.

(a) An organization licensee may apply to the Board for a master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses to organization licensees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

For the purposes of this subsection (a), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(b) Except as otherwise provided in this subsection (b), the initial license fee for a master sports wagering license for an organization licensee is 5% of its handle from the preceding calendar year or the lowest amount that is required to be paid as an initial license fee by an owners licensee under subsection (b) of Section 25-35, whichever is greater. No initial license fee shall exceed \$10,000,000. An organization licensee licensed on the effective date of this Act shall pay the initial master sports wagering license fee by July 1, 2020. For an organization licensee licensed after the effective date of this Act, the master sports wagering license fee shall be \$5,000,000, but the amount shall be adjusted 12 months after the organization licensee begins racing operations based on 5% of its handle from the first 12 months of racing operations. The master sports wagering license is valid for 4 years.

(c) The organization licensee may renew the master sports wagering license for a period of 4 years by paying a \$1,000,000 renewal fee to the Board.

(d) An organization licensee issued a master sports wagering license may conduct sports wagering:

(1) at its facility at which inter-track wagering is conducted pursuant to an inter-track wagering license under the Illinois Horse Racing Act of 1975;

(2) at 3 inter-track wagering locations if the inter-track wagering location licensee from which it derives its license is an organization licensee that is issued a master sports wagering license; and

(3) over the Internet or through a mobile application.

(e) The sports wagering offered over the Internet or through a mobile application shall only be offered under either the same brand as the organization licensee is operating under or a brand owned by a direct or indirect holding company that owns at least an 80% interest in that organization licensee on the effective date of this Act.

(f) Until issuance of the first license under Section 25-45, an individual must create a sports wagering account in person at a facility under paragraph (1) or (2) of subsection (d) to participate in sports wagering offered over the Internet or through a mobile application.

Section 25-35. Master sports wagering license issued to an owners licensee.

(a) An owners licensee may apply to the Board for a master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses to owners licensees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

For the purposes of this subsection (a), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(b) Except as otherwise provided in subsection (b-5), the initial license fee for a master sports wagering license for an owners licensee is 5% of its adjusted gross receipts from the preceding calendar year. No initial license fee shall exceed \$10,000,000. An owners licensee licensed on the effective date of this Act shall pay the initial master sports wagering license fee by July 1, 2020. The master sports wagering license is valid for 4 years.

(b-5) For an owners licensee licensed after the effective date of this Act, the master sports wagering license fee shall be \$5,000,000, but the amount shall be adjusted 12 months after the owners licensee begins gambling operations under the Illinois Gambling Act based on 5% of its adjusted gross receipts from the first 12 months of gambling operations. The master sports wagering license is valid for 4 years.

(c) The owners licensee may renew the master sports wagering license for a period of 4 years by paying a \$1,000,000 renewal fee to the Board.

(d) An owners licensee issued a master sports wagering license may conduct sports wagering:

(1) at its facility in this State that is authorized to conduct gambling operations under the Illinois Gambling Act; and

(2) over the Internet or through a mobile application.

(e) The sports wagering offered over the Internet or through a mobile application shall only be offered under either the same brand as the owners licensee is operating under or a brand owned by a direct or indirect holding company that owns at least an 80% interest in that owners licensee on the effective date of this Act.

(f) Until issuance of the first license under Section 25-45, an individual must create a sports wagering account in person at a facility under paragraph (1) of subsection (d) to participate in sports wagering offered over the Internet or through a mobile application.

Section 25-40. Master sports wagering license issued to a sports facility.

(a) As used in this Section, "designee" means a master sports wagering licensee under Section 25-30, 25-35, or 25-45 or a management services provider licensee.

(b) A sports facility or a designee contracted to operate sports wagering at or within a 5-block radius of the sports facility may apply to the Board for a master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses to sports facilities or their designees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

For the purposes of this subsection (b), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(c) The Board may issue up to 7 master sports wagering licenses to sports facilities or their designees that meet the requirements for licensure as determined by rule by the Board. If more than 7 qualified applicants apply for a master sports wagering license under this Section, the licenses shall be granted in the order in which the applications were received. If a license is denied, revoked, or not renewed, the Board may begin a new application process and issue a license under this Section in the order in which the application was received.

(d) The initial license fee for a master sports wagering license for a sports facility is \$10,000,000. The master sports wagering license is valid for 4 years.

(e) The sports facility or its designee may renew the master sports wagering license for a period of 4 years by paying a \$1,000,000 renewal fee to the Board.

(f) A sports facility or its designee issued a master sports wagering license may conduct sports wagering at or within a 5-block radius of the sports facility.

(g) A sports facility or its designee issued a master sports wagering license may conduct sports wagering over the Internet within the sports facility or within a 5-block radius of the sports facility.

(h) The sports wagering offered by a sports facility or its designee over the Internet or through a mobile application shall be offered under the same brand as the sports facility is operating under, the brand the designee is operating under, or a combination thereof.

(i) Until issuance of the first license under Section 25-45, an individual must register in person at a sports facility or the designee's facility to participate in sports wagering offered over the Internet or through a mobile application.

Section 25-45. Master sports wagering license issued to an online sports wagering operator.

(a) The Board shall issue 3 master sports wagering licenses to online sports wagering operators for a nonrefundable license fee of \$20,000,000 pursuant to an open and competitive selection process. The master sports wagering license issued under this Section may be renewed every 4 years upon payment of a \$1,000,000 renewal fee. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses under this

Section and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure.

For the purposes of this subsection (a), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(b) Applications for the initial competitive selection occurring after the effective date of this Act shall be received by the Board within 540 days after the first license is issued under this Act to qualify. The Board shall announce the winning bidders for the initial competitive selection within 630 days after the first license is issued under this Act, and this time frame may be extended at the discretion of the Board.

(c) The Board shall provide public notice of its intent to solicit applications for master sports wagering licenses under this Section by posting the notice, application instructions, and materials on its website for at least 30 calendar days before the applications are due. Failure by an applicant to submit all required information may result in the application being disqualified. The Board may notify an applicant that its application is incomplete and provide an opportunity to cure by rule. Application instructions shall include a brief overview of the selection process and how applications are scored.

(d) To be eligible for a master sports wagering license under this Section, an applicant must: (1) be at least 21 years of age; (2) not have been convicted of a felony offense or a violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012 or a similar statute of any other jurisdiction; (3) not have been convicted of a crime involving dishonesty or moral turpitude; (4) have demonstrated a level of skill or knowledge that the Board determines to be necessary in order to operate sports wagering; and (5) have met standards for the holding of a license as adopted by rules of the Board.

The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of sports wagering in this State and to promote and maintain a competitive sports wagering market. After the close of the application period, the Board shall determine whether the applications meet the mandatory minimum qualification criteria and conduct a comprehensive, fair, and impartial evaluation of all qualified applications.

(e) The Board shall open all qualified applications in a public forum and disclose the applicants' names. The Board shall summarize the terms of the proposals and make the summaries available to the public on its website.

(f) Not more than 90 days after the publication of the qualified applications, the Board shall identify the winning bidders. In granting the licenses, the Board may give favorable consideration to qualified applicants presenting plans that provide for economic development and community engagement. To the extent permitted by federal and State law, the Board may give favorable consideration to qualified applicants demonstrating commitment to diversity in the workplace.

(g) Upon selection of the winning bidders, the Board shall have a reasonable period of time to ensure compliance with all applicable statutory and regulatory criteria before issuing the licenses. If the Board determines a winning bidder does not satisfy all applicable statutory and regulatory criteria, the Board shall select another bidder from the remaining qualified applicants.

(h) Nothing in this Section is intended to confer a property or other right, duty, privilege, or interest entitling an applicant to an administrative hearing upon denial of an application.

(i) Upon issuance of a master sports wagering license to a winning bidder, the information and plans provided in the application become a condition of the license. A master sports wagering licensee under this Section has a duty to disclose any material changes to the application. Failure to comply with the conditions or requirements in the application may subject the master sports wagering licensee under this Section to discipline, including, but not limited to, fines, suspension, and revocation of its license, pursuant to rules adopted by the Board.

(j) The Board shall disseminate information about the licensing process through media demonstrated to reach large numbers of business owners and entrepreneurs who are minorities, women, veterans, and persons with disabilities.

(k) The Department of Commerce and Economic Opportunity, in conjunction with the Board, shall conduct ongoing, thorough, and comprehensive outreach to businesses owned by minorities, women, veterans, and persons with disabilities about contracting and entrepreneurial opportunities in sports wagering. This outreach shall include, but not be limited to:

(1) cooperating and collaborating with other State boards, commissions, and agencies; public and private universities and community colleges; and local governments to target outreach efforts; and

(2) working with organizations serving minorities, women, and persons with disabilities to establish and conduct training for employment in sports wagering.

(l) The Board shall partner with the Department of Labor, the Department of Financial and Professional Regulation, and the Department of Commerce and Economic Opportunity to identify employment opportunities within the sports wagering industry for job seekers and dislocated workers.

(m) By March 1, 2020, the Board shall prepare a request for proposals to conduct a study of the online sports wagering industry and market to determine whether there is a compelling interest in implementing remedial measures, including the application of the Business Enterprise Program under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act or a similar program to assist minorities, women, and persons with disabilities in the sports wagering industry.

As a part of the study, the Board shall evaluate race and gender-neutral programs or other methods that may be used to address the needs of minority and women applicants and minority-owned and women-owned businesses seeking to participate in the sports wagering industry. The Board shall submit to the General Assembly and publish on its website the results of this study by August 1, 2020.

If, as a result of the study conducted under this subsection (m), the Board finds that there is a compelling interest in implementing remedial measures, the Board may adopt rules, including emergency rules, to implement remedial measures, if necessary and to the extent permitted by State and federal law, based on the findings of the study conducted under this subsection (m).

Section 25-50. Supplier license.

(a) The Board may issue a supplier license to a person to sell or lease sports wagering equipment, systems, or other gaming items to conduct sports wagering and offer services related to the equipment or other gaming items and data to a master sports wagering licensee while the license is active.

(b) The Board may adopt rules establishing additional requirements for a supplier and any system or other equipment utilized for sports wagering. The Board may accept licensing by another jurisdiction that it specifically determines to have similar licensing requirements as evidence the applicant meets supplier licensing requirements.

(c) An applicant for a supplier license shall demonstrate that the equipment, system, or services that the applicant plans to offer to the master sports wagering licensee conforms to standards established by the Board and applicable State law. The Board may accept approval by another jurisdiction that it specifically determines have similar equipment standards as evidence the applicant meets the standards established by the Board and applicable State law.

(d) Applicants shall pay to the Board a nonrefundable license and application fee in the amount of \$150,000. After the initial 4-year term, the Board shall renew supplier licenses annually thereafter. Renewal of a supplier license shall be granted to a renewal applicant who has continued to comply with all applicable statutory and regulatory requirements, upon submission of the Board-issued renewal form and payment of a \$150,000 renewal fee.

(e) A supplier shall submit to the Board a list of all sports wagering equipment and services sold, delivered, or offered to a master sports wagering licensee in this State, as required by the Board, all of which must be tested and approved by an independent testing laboratory approved by the Board. A master sports wagering licensee may continue to use supplies acquired from a licensed supplier, even if a supplier's license expires or is otherwise canceled, unless the Board finds a defect in the supplies.

Section 25-55. Management services provider license.

(a) A master sports wagering licensee may contract with an entity to conduct that operation in accordance with the rules of the Board and the provisions of this Act. That entity shall obtain a license as a management services provider before the execution of any such contract, and the management services provider license shall be issued pursuant to the provisions of this Act and any rules adopted by the Board.

(b) Each applicant for a management services provider license shall meet all requirements for licensure and pay a nonrefundable license and application fee of \$1,000,000. The Board may adopt rules establishing additional requirements for an authorized management services provider. The Board may accept licensing by another jurisdiction that it specifically determines to have similar licensing requirements as evidence the applicant meets authorized management services provider licensing requirements.

(c) Management services provider licenses shall be renewed every 4 years to licensees who continue to be in compliance with all requirements and who pay the renewal fee of \$500,000.

(d) A person who shares in revenue shall be licensed under this Section.

Section 25-60. Tier 2 official league data provider license.

(a) A sports governing body or a sports league, organization, or association or a vendor authorized by such sports governing body or sports league, organization, or association to distribute tier 2 official league data may apply to the Board for a tier 2 official league data provider license.

(b) A tier 2 official league data provider licensee may provide a master sports wagering licensee with official league data for tier 2 sports wagers. No sports governing body or sports league, organization, or association or a vendor authorized by such sports governing body or sports league, organization, or association may provide tier 2 official league data to a master sports wagering licensee without a tier 2 official league data provider license.

Notwithstanding the provisions of this Section, the licensing and fee requirements of this Section shall not apply if, under subsection (g) of Section 25-25, master sports wagering licensees are not required to use official league data to determine the results of tier 2 sports wagers.

(c) The initial license fee for a tier 2 official league data provider license is payable to the Board at the end of the first year of licensure based on the amount of data sold to master sports wagering licensees as official league data as follows:

(1) for data sales up to and including \$500,000, the fee is \$30,000;

(2) for data sales in excess of \$500,000 and up to and including \$750,000, the fee is \$60,000;

(3) for data sales in excess of \$750,000 and up to and including \$1,000,000, the fee is \$125,000;

(4) for data sales in excess of \$1,000,000 and up to and including \$1,500,000, the fee is \$250,000;

(5) for data sales in excess of \$1,500,000 and up to and including \$2,000,000, the fee is \$375,000; and

(6) for data sales in excess of \$2,000,000, the fee is \$500,000.

The license is valid for 3 years.

(d) The tier 2 official league data provider licensee may renew the license for 3 years by paying a renewal fee to the Board based on the amount of data sold to master sports wagering licensees as official league data in the immediately preceding year as provided in paragraphs (1) through (6) of subsection (c).

Section 25-65. Sports wagering at a sports facility. Sports wagering may be offered in person at or within a 5-block radius of a sports facility if sports wagering is offered by a designee, as defined in Section 25-40, and that designee has received written authorization from the relevant sports team that plays its home contests at the sports facility. If more than one professional sports team plays its home contests at the same sports facility, written authorization is required from all sports teams that play home contests at the sports facility.

Section 25-70. Lottery sports wagering pilot program.

(a) As used in this Section:

"Central system" means the hardware, software, peripherals, and network components provided by the Department's central system provider that link and support all required sports lottery terminals and the central site and that are unique and separate from the lottery central system for draw and instant games.

"Central system provider" means an individual, partnership, corporation, or limited liability company that has been licensed for the purpose of providing and maintaining a central system and the related management facilities specifically for the management of sports lottery terminals.

"Electronic card" means a card purchased from a lottery retailer.

"Lottery retailer" means a location licensed by the Department to sell lottery tickets or shares.

"Sports lottery systems" means systems provided by the central system provider consisting of sports wagering products, risk management, operations, and support services.

"Sports lottery terminal" means a terminal linked to the central system in which bills or coins are deposited or an electronic card is inserted in order to place wagers on a sports event and lottery offerings.

(b) The Department shall issue one central system provider license pursuant to an open and competitive bidding process that uses the following procedures:

(1) The Department shall make applications for the central system provider license available to the public and allow a reasonable time for applicants to submit applications to the Department.

(2) During the filing period for central system provider license applications, the Department may retain professional services to assist the Department in conducting the open and competitive bidding process.

(3) After receiving all of the bid proposals, the Department shall open all of the proposals in a public forum and disclose the prospective central system provider names and venture partners, if any.

(4) The Department shall summarize the terms of the bid proposals and may make this

summary available to the public.

(5) The Department shall evaluate the bid proposals within a reasonable time and select no more than 3 final applicants to make presentations of their bid proposals to the Department.

(6) The final applicants shall make their presentations to the Department on the same day during an open session of the Department.

(7) As soon as practicable after the public presentations by the final applicants, the Department, in its discretion, may conduct further negotiations among the 3 final applicants. At the conclusion of such negotiations, the Department shall select the winning bid.

(8) Upon selection of the winning bid, the Department shall evaluate the winning bid within a reasonable period of time for licensee suitability in accordance with all applicable statutory and regulatory criteria.

(9) If the winning bidder is unable or otherwise fails to consummate the transaction, (including if the Department determines that the winning bidder does not satisfy the suitability requirements), the Department may, on the same criteria, select from the remaining bidders.

(10) The winning bidder shall pay \$20,000,000 to the Department upon being issued the central system provider license.

(c) Every sports lottery terminal offered in this State for play shall first be tested and approved pursuant to the rules of the Department, and each sports lottery terminal offered in this State for play shall conform to an approved model. For the examination of sports lottery terminals and associated equipment as required by this Section, the central system provider may utilize the services of one or more independent outside testing laboratories that have been accredited by a national accreditation body and that, in the judgment of the Department, are qualified to perform such examinations. Every sports lottery terminal offered in this State for play must meet minimum standards set by an independent outside testing laboratory approved by the Department.

(d) During the first 360 days after the effective date of this Act, sport lottery terminals may be placed in no more than 2,500 Lottery retail locations in the State. Sports lottery terminals may be placed in an additional 2,500 Lottery retail locations during the second year after the effective date of this Act.

(e) A sports lottery terminal may not directly dispense coins, cash, tokens, or any other article of exchange or value except for receipt tickets. Tickets shall be dispensed by pressing the ticket dispensing button on the sports lottery terminal at the end of the placement of one's wager or wagers. The ticket shall indicate the total amount wagered, odds for each wager placed, and the cash award for each bet placed, the time of day in a 24-hour format showing hours and minutes, the date, the terminal serial number, the sequential number of the ticket, and an encrypted validation number from which the validity of the prize may be determined. The player shall turn in this ticket to the appropriate person at a lottery retailer to receive the cash award.

(f) No lottery retailer may cause or permit any person under the age of 21 years to use a sports lottery terminal or sports wagering application. A lottery retailer who knowingly causes or permits a person under the age of 21 years to use a sports lottery terminal or sports wagering application is guilty of a business offense and shall be fined an amount not to exceed \$5,000.

(g) A sports lottery terminal shall only accept parlay wagers and fixed odds parlay wagers. The Department shall, by rule, establish the total amount, as a percentage, of all wagers placed that a lottery retailer may retain.

(h) The Department shall have jurisdiction over and shall supervise all lottery sports wagering operations governed by this Section. The Department shall have all powers necessary and proper to fully and effectively execute the provisions of this Section, including, but not limited to, the following:

(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all lottery sports wagering operations in this State.

(3) To adopt rules for the purpose of administering the provisions of this Section and to adopt rules and conditions under which all lottery sports wagering in the State shall be conducted. Such rules are to provide for the prevention of practices detrimental to the public interest and for the best interests of lottery sports wagering, including rules (i) regarding the inspection of such licensees necessary to operate a lottery retailer under any laws or rules applicable to licensees, (ii) to impose penalties for violations of the Act and its rules, and (iii) establishing standards for advertising lottery sports wagering.

(i) The Department shall adopt emergency rules to administer this Section in accordance with Section 5-45 of the Illinois Administrative Procedure Act. For the purposes of the Illinois Administrative

Procedure Act, the General Assembly finds that the adoption of rules to implement this Section is deemed an emergency and necessary to the public interest, safety, and welfare.

(j) For the privilege of operating lottery sports wagering under this Section, all proceeds minus net of proceeds returned to players shall be electronically transferred daily or weekly, at the discretion of the Director of the Lottery, into the State Lottery Fund. After amounts owed to the central system provider and licensed agents, as determined by the Department, are paid from the moneys deposited into the State Lottery Fund under this subsection, the remainder shall be transferred on the 15th of each month to the Capital Projects Fund.

(k) This Section is repealed on January 1, 2024.

Section 25-75. Reporting prohibited conduct; investigations of prohibited conduct.

(a) The Board shall establish a hotline or other method of communication that allows any person to confidentially report information about prohibited conduct to the Board.

(b) The Board shall investigate all reasonable allegations of prohibited conduct and refer any allegations it deems credible to the appropriate law enforcement entity.

(c) The identity of any reporting person shall remain confidential unless that person authorizes disclosure of his or her identity or until such time as the allegation of prohibited conduct is referred to law enforcement.

(d) If the Board receives a complaint of prohibited conduct by an athlete, the Board shall notify the appropriate sports governing body of the athlete to review the complaint as provided by rule.

(e) The Board shall adopt emergency rules to administer this Section in accordance with Section 5-45 of the Illinois Administrative Procedure Act.

(f) The Board shall adopt rules governing investigations of prohibited conduct and referrals to law enforcement entities.

Section 25-80. Personal biometric data. A master sports wagering licensee shall not purchase or use any personal biometric data of an athlete unless the master sports wagering licensee has received written permission from the athlete's exclusive bargaining representative.

Section 25-85. Supplier diversity goals for sports wagering.

(a) As used in this Section only, "licensee" means a licensee under this Act other than an occupational licensee.

(b) The public policy of this State is to collaboratively work with companies that serve Illinois residents to improve their supplier diversity in a non-antagonistic manner.

(c) The Board and the Department shall require all licensees under this Act to submit an annual report by April 15, 2020 and every April 15 thereafter, in a searchable Adobe PDF format, on all procurement goals and actual spending for businesses owned by women, minorities, veterans, and persons with disabilities and small business enterprises in the previous calendar year. These goals shall be expressed as a percentage of the total work performed by the entity submitting the report, and the actual spending for all businesses owned by women, minorities, veterans, and persons with disabilities and small business enterprises shall also be expressed as a percentage of the total work performed by the entity submitting the report.

(d) Each licensee in its annual report shall include the following information:

(1) an explanation of the plan for the next year to increase participation;

(2) an explanation of the plan to increase the goals;

(3) the areas of procurement each licensee shall be actively seeking more participation in the next year;

(4) an outline of the plan to alert and encourage potential vendors in that area to seek business from the licensee;

(5) an explanation of the challenges faced in finding quality vendors and offer any suggestions for what the Board could do to be helpful to identify those vendors;

(6) a list of the certifications the licensee recognizes;

(7) the point of contact for any potential vendor who wishes to do business with the licensee and explain the process for a vendor to enroll with the licensee as a businesses owned by women, minorities, veterans, or persons with disabilities; and

(8) any particular success stories to encourage other licensee to emulate best practices.

(e) Each annual report shall include as much State-specific data as possible. If the submitting entity does not submit State-specific data, then the licensee shall include any national data it does have and explain why it could not submit State-specific data and how it intends to do so in future reports, if possible.

(f) Each annual report shall include the rules, regulations, and definitions used for the procurement goals in the licensee's annual report.

(g) The Board, Department, and all licensees shall hold an annual workshop and job fair open to the public in 2020 and every year thereafter on the state of supplier diversity to collaboratively seek solutions to structural impediments to achieving stated goals, including testimony from each licensee as well as subject matter experts and advocates. The Board and Department shall publish a database on their websites of the point of contact for licensees they regulate under this Act for supplier diversity, along with a list of certifications each licensee recognizes from the information submitted in each annual report. The Board and Department shall publish each annual report on their websites and shall maintain each annual report for at least 5 years.

Section 25-90. Tax; Sports Wagering Fund.

(a) For the privilege of holding a license to operate sports wagering under this Act, this State shall impose and collect 15% of a master sports wagering licensee's adjusted gross sports wagering receipts from sports wagering. The accrual method of accounting shall be used for purposes of calculating the amount of the tax owed by the licensee.

The taxes levied and collected pursuant to this subsection (a) are due and payable to the Board no later than the last day of the month following the calendar month in which the adjusted gross sports wagering receipts were received and the tax obligation was accrued.

(a-5) In addition to the tax imposed under subsection (a) of this Section, for the privilege of holding a license to operate sports wagering under this Act, the State shall impose and collect 2% of the adjusted gross receipts from sports wagers that are placed within a home rule county with a population of over 3,000,000 inhabitants, which shall be paid, subject to appropriation from the General Assembly, from the Sports Wagering Fund to that home rule county for the purpose of enhancing the county's criminal justice system.

(b) The Sports Wagering Fund is hereby created as special fund in the State treasury. Except as otherwise provided in this Act, all moneys collected under this Act by the Board shall be deposited into the Sports Wagering Fund. On the 25th of each month, any moneys remaining in the Sports Wagering Fund shall be transferred to the Capital Projects Fund.

Section 25-95. Compulsive gambling. Each master sports wagering licensee shall include a statement regarding obtaining assistance with gambling problems, the text of which shall be determined by rule by the Department of Human Services, on the master sports wagering licensee's portal, Internet website, or computer or mobile application.

Section 25-100. Voluntary self-exclusion program for sports wagering. Any resident, or non-resident if allowed to participate in sports wagering, may voluntarily prohibit himself or herself from establishing a sports wagering account with a licensee under this Act. The Board and Department shall incorporate the voluntary self-exclusion program for sports wagering into any existing self-exclusion program that it operates on the effective date of this Act.

Section 25-105. Report to General Assembly. On or before January 15, 2021 and every January 15 thereafter, the Board shall provide a report to the General Assembly on sports wagering conducted under this Act.

Section 25-110. Preemption. Nothing in this Act shall be deemed to diminish the rights, privileges, or remedies of a person under any other federal or State law, rule, or regulation.

Section 25-900. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an

emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection

(h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 ~~this amendatory Act of the 100th General Assembly~~, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(ff) ~~(ee)~~ In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 ~~this amendatory Act of the 100th General Assembly~~, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection (ff) ~~(ee)~~. The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection (ff) ~~(ee)~~. The adoption of emergency rules authorized by this subsection (ff) ~~(ee)~~ is deemed to be necessary for the public interest, safety, and welfare.

(gg) ~~(ff)~~ In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 ~~this amendatory Act of the 101st General Assembly~~, emergency rules may be adopted by the Department of Labor in accordance with this subsection (gg) ~~(ff)~~ to implement the changes made by Public Act 101-1 ~~this amendatory Act of the 101st General Assembly~~ to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection (gg) ~~(ff)~~ is deemed to be necessary for the public interest, safety, and welfare.

(ii) In order to provide for the expeditious and timely implementation of the provisions of Section 25-70 of the Sports Wagering Act, emergency rules to implement Section 25-70 of the Sports Wagering Act may be adopted in accordance with this subsection (ii) by the Department of the Lottery as provided in the Sports Wagering Act. The adoption of emergency rules authorized by this subsection (ii) is deemed to be necessary for the public interest, safety, and welfare.

(jj) In order to provide for the expeditious and timely implementation of the Sports Wagering Act, emergency rules to implement the Sports Wagering Act may be adopted in accordance with this subsection (jj) by the Illinois Gaming Board. The adoption of emergency rules authorized by this subsection (jj) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

Section 25-905. The State Finance Act is amended by adding Section 5.896 as follows:

(30 ILCS 105/5.896 new)

Sec. 5.896. The Sports Wagering Fund.

Section 25-910. The Riverboat Gambling Act is amended by changing Section 13 as follows:

(230 ILCS 10/13) (from Ch. 120, par. 2413)

Sec. 13. Wagering tax; rate; distribution.

(a) Until January 1, 1998, a tax is imposed on the adjusted gross receipts received from gambling games authorized under this Act at the rate of 20%.

(a-1) From January 1, 1998 until July 1, 2002, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

20% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

25% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

30% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

35% of annual adjusted gross receipts in excess of \$100,000,000.

(a-2) From July 1, 2002 until July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

(a-3) Beginning July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

27.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$37,500,000;

32.5% of annual adjusted gross receipts in excess of \$37,500,000 but not exceeding \$50,000,000;

37.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding

\$75,000,000;

45% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

50% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$250,000,000;

70% of annual adjusted gross receipts in excess of \$250,000,000.

An amount equal to the amount of wagering taxes collected under this subsection (a-3) that are in addition to the amount of wagering taxes that would have been collected if the wagering tax rates under subsection (a-2) were in effect shall be paid into the Common School Fund.

The privilege tax imposed under this subsection (a-3) shall no longer be imposed beginning on the earlier of (i) July 1, 2005; (ii) the first date after June 20, 2003 that riverboat gambling operations are conducted pursuant to a dormant license; or (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act. For the purposes of this subsection (a-3), the term "dormant license" means an owners license that is authorized by this Act under which no riverboat gambling operations are being conducted on June 20, 2003.

(a-4) Beginning on the first day on which the tax imposed under subsection (a-3) is no longer imposed, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

(a-8) Riverboat gambling operations conducted by a licensed manager on behalf of the State are not subject to the tax imposed under this Section.

(a-10) The taxes imposed by this Section shall be paid by the licensed owner to the Board not later than 5:00 o'clock p.m. of the day after the day when the wagers were made.

(a-15) If the privilege tax imposed under subsection (a-3) is no longer imposed pursuant to item (i) of the last paragraph of subsection (a-3), then by June 15 of each year, each owners licensee, other than an owners licensee that admitted 1,000,000 persons or fewer in calendar year 2004, must, in addition to the payment of all amounts otherwise due under this Section, pay to the Board a reconciliation payment in the amount, if any, by which the licensed owner's base amount exceeds the amount of net privilege tax paid by the licensed owner to the Board in the then current State fiscal year. A licensed owner's net privilege tax obligation due for the balance of the State fiscal year shall be reduced up to the total of the amount paid by the licensed owner in its June 15 reconciliation payment. The obligation imposed by this subsection (a-15) is binding on any person, firm, corporation, or other entity that acquires an ownership interest in any such owners license. The obligation imposed under this subsection (a-15) terminates on the earliest of: (i) July 1, 2007, (ii) the first day after the effective date of this amendatory Act of the 94th General Assembly that riverboat gambling operations are conducted pursuant to a dormant license, (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act, or (iv) the first day that a licensee under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming devices. The Board must reduce the obligation imposed under this subsection (a-15) by an amount the Board deems reasonable for any of the following reasons: (A) an act or acts of God, (B) an act of bioterrorism or terrorism or a bioterrorism or terrorism threat that was investigated by a law enforcement agency, or (C) a condition beyond the control of the owners licensee that does not result from any act or omission by the owners licensee or any of its agents and that poses a hazardous threat to the health and safety of patrons. If an owners licensee pays an amount in excess of its liability under this Section, the Board shall apply the overpayment to future payments required under this Section.

For purposes of this subsection (a-15):

"Act of God" means an incident caused by the operation of an extraordinary force that cannot be foreseen, that cannot be avoided by the exercise of due care, and for which no person can be held liable.

"Base amount" means the following:

- For a riverboat in Alton, \$31,000,000.
- For a riverboat in East Peoria, \$43,000,000.
- For the Empress riverboat in Joliet, \$86,000,000.
- For a riverboat in Metropolis, \$45,000,000.
- For the Harrah's riverboat in Joliet, \$114,000,000.
- For a riverboat in Aurora, \$86,000,000.
- For a riverboat in East St. Louis, \$48,500,000.
- For a riverboat in Elgin, \$198,000,000.

"Dormant license" has the meaning ascribed to it in subsection (a-3).

"Net privilege tax" means all privilege taxes paid by a licensed owner to the Board under this Section, less all payments made from the State Gaming Fund pursuant to subsection (b) of this Section.

The changes made to this subsection (a-15) by Public Act 94-839 are intended to restate and clarify the intent of Public Act 94-673 with respect to the amount of the payments required to be made under this subsection by an owners licensee to the Board.

(b) Until January 1, 1998, 25% of the tax revenue deposited in the State Gaming Fund under this Section shall be paid, subject to appropriation by the General Assembly, to the unit of local government which is designated as the home dock of the riverboat. Beginning January 1, 1998, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by a riverboat shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat. From the tax revenue deposited in the State Gaming Fund pursuant to riverboat gambling operations conducted by a licensed manager on behalf of the State, an amount equal to 5% of adjusted gross receipts generated pursuant to those riverboat gambling operations shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat upon which those riverboat gambling operations are conducted.

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Board (i) for the administration and enforcement of this Act and the Video Gaming Act, (ii) for distribution to the Department of State Police and to the Department of Revenue for the enforcement of this Act, and (iii) to the Department of Human Services for the administration of programs to treat problem gambling, including problem gambling from sports wagering.

(c-5) Before May 26, 2006 (the effective date of Public Act 94-804) and beginning on the effective date of this amendatory Act of the 95th General Assembly, unless any organization licensee under the Illinois Horse Racing Act of 1975 begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, after the payments required under subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund into the Horse Racing Equity Fund.

(c-10) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid into the Horse Racing Equity Fund pursuant to subsection (c-5) in the prior calendar year.

(c-15) After the payments required under subsections (b), (c), and (c-5) have been made, an amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to each home rule county with a population of over 3,000,000 inhabitants for the purpose of enhancing the county's criminal justice system.

(c-20) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid to each home rule county with a population of over 3,000,000 inhabitants pursuant to subsection (c-15) in the prior calendar year.

(c-25) On July 1, 2013 and each July 1 thereafter, \$1,600,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

(c-30) On July 1, 2013 or as soon as possible thereafter, \$92,000,000 shall be transferred from the State Gaming Fund to the School Infrastructure Fund and \$23,000,000 shall be transferred from the State Gaming Fund to the Horse Racing Equity Fund.

(c-35) Beginning on July 1, 2013, in addition to any amount transferred under subsection (c-30) of this Section, \$5,530,000 shall be transferred monthly from the State Gaming Fund to the School Infrastructure Fund.

(d) From time to time, the Board shall transfer the remainder of the funds generated by this Act into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(e) Nothing in this Act shall prohibit the unit of local government designated as the home dock of the riverboat from entering into agreements with other units of local government in this State or in other states to share its portion of the tax revenue.

(f) To the extent practicable, the Board shall administer and collect the wagering taxes imposed by this Section in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 98-18, eff. 6-7-13.)

Section 25-915. The Criminal Code of 2012 is amended by changing Sections 28-1, 28-3, and 28-5 as follows:

(720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

Sec. 28-1. Gambling.

(a) A person commits gambling when he or she:

(1) knowingly plays a game of chance or skill for money or other thing of value, unless excepted in subsection (b) of this Section;

(2) knowingly makes a wager upon the result of any game, contest, or any political nomination, appointment or election;

(3) knowingly operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device;

(4) contracts to have or give himself or herself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, where it is at the time of making such contract intended by both parties thereto that the contract to buy or sell, or the option, whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered with the Secretary of State pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the meaning of this paragraph (4);

(5) knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager;

(6) knowingly sells pools upon the result of any game or contest of skill or chance, political nomination, appointment or election;

(7) knowingly sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery;

(8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device;

(9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision

(11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or

(12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by means of the Internet. This item (12) does not apply to activities referenced in items (6), ~~and (6.1)~~, and (15) of subsection (b) of this Section.

(b) Participants in any of the following activities shall not be convicted of gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance.

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of this State.

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law. This exemption includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of the Illinois Lottery Law and its rules.

(6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.

(7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique slot machine is one manufactured 25 years ago or earlier.

(8) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act.

(9) Charitable games when conducted in accordance with the Charitable Games Act.

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.

(11) Gambling games conducted on riverboats when authorized by the Riverboat Gambling Act.

(12) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act.

(13) Games of skill or chance where money or other things of value can be won but no payment or purchase is required to participate.

(14) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(15) Sports wagering when conducted in accordance with the Sports Wagering Act.

(c) Sentence.

Gambling is a Class A misdemeanor. A second or subsequent conviction under subsections (a)(3) through (a)(12), is a Class 4 felony.

(d) Circumstantial evidence.

In prosecutions under this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

Sec. 28-3. Keeping a Gambling Place. A "gambling place" is any real estate, vehicle, boat or any other property whatsoever used for the purposes of gambling other than gambling conducted in the manner authorized by the Riverboat Gambling Act, the Sports Wagering Act, or the Video Gaming Act. Any person who knowingly permits any premises or property owned or occupied by him or under his control

to be used as a gambling place commits a Class A misdemeanor. Each subsequent offense is a Class 4 felony. When any premises is determined by the circuit court to be a gambling place:

(a) Such premises is a public nuisance and may be proceeded against as such, and

(b) All licenses, permits or certificates issued by the State of Illinois or any subdivision or public agency thereof authorizing the serving of food or liquor on such premises shall be void; and no license, permit or certificate so cancelled shall be reissued for such premises for a period of 60 days thereafter; nor shall any person convicted of keeping a gambling place be reissued such license for one year from his conviction and, after a second conviction of keeping a gambling place, any such person shall not be reissued such license, and

(c) Such premises of any person who knowingly permits thereon a violation of any Section of this Article shall be held liable for, and may be sold to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied under any Section of this Article.

(Source: P.A. 96-34, eff. 7-13-09.)

(720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

Sec. 28-5. Seizure of gambling devices and gambling funds.

(a) Every device designed for gambling which is incapable of lawful use or every device used unlawfully for gambling shall be considered a "gambling device", and shall be subject to seizure, confiscation and destruction by the Department of State Police or by any municipal, or other local authority, within whose jurisdiction the same may be found. As used in this Section, a "gambling device" includes any slot machine, and includes any machine or device constructed for the reception of money or other thing of value and so constructed as to return, or to cause someone to return, on chance to the player thereof money, property or a right to receive money or property. With the exception of any device designed for gambling which is incapable of lawful use, no gambling device shall be forfeited or destroyed unless an individual with a property interest in said device knows of the unlawful use of the device.

(b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.

(c) If, within 60 days after any seizure pursuant to subparagraph (b) of this Section, a person having any property interest in the seized property is charged with an offense, the court which renders judgment upon such charge shall, within 30 days after such judgment, conduct a forfeiture hearing to determine whether such property was a gambling device at the time of seizure. Such hearing shall be commenced by a written petition by the State, including material allegations of fact, the name and address of every person determined by the State to have any property interest in the seized property, a representation that written notice of the date, time and place of such hearing has been mailed to every such person by certified mail at least 10 days before such date, and a request for forfeiture. Every such person may appear as a party and present evidence at such hearing. The quantum of proof required shall be a preponderance of the evidence, and the burden of proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, an order of forfeiture and disposition of the seized property shall be entered: a gambling device shall be received by the State's Attorney, who shall effect its destruction, except that valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county wherein such seizure occurred; money and other things of value shall be received by the State's Attorney and, upon liquidation, shall be deposited in the general fund of the county wherein such seizure occurred. However, in the event that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph (b) (7) of Section 28-1 of this Code and therefore he is exempt from the charge of a gambling activity participant, the seized antique slot machine shall not be destroyed or otherwise altered until a final determination is made by the Court as to whether it is such an antique slot machine. Upon a final determination by the Court of this question in favor of the defendant, such slot machine shall be immediately returned to the defendant. Such order of forfeiture and disposition shall, for the purposes of appeal, be a final order and judgment in a civil proceeding.

(d) If a seizure pursuant to subparagraph (b) of this Section is not followed by a charge pursuant to subparagraph (c) of this Section, or if the prosecution of such charge is permanently terminated or indefinitely discontinued without any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture and destruction of a gambling device, or for the forfeiture and deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) any person having any property interest in such seized gambling device, money or other thing of value may commence separate civil proceedings in the manner provided by law.

(e) Any gambling device displayed for sale to a riverboat gambling operation or used to train occupational licensees of a riverboat gambling operation as authorized under the Riverboat Gambling Act is exempt from seizure under this Section.

(f) Any gambling equipment, devices and supplies provided by a licensed supplier in accordance with the Riverboat Gambling Act which are removed from the riverboat for repair are exempt from seizure under this Section.

(g) The following video gaming terminals are exempt from seizure under this Section:

(1) Video gaming terminals for sale to a licensed distributor or operator under the Video Gaming Act.

(2) Video gaming terminals used to train licensed technicians or licensed terminal handlers.

(3) Video gaming terminals that are removed from a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment for repair.

(h) Property seized or forfeited under this Section is subject to reporting under the Seizure and Forfeiture Reporting Act.

(i) Any sports lottery terminals provided by a central system provider that are removed from a lottery retailer for repair under the Sports Wagering Act are exempt from seizure under this Section.

(Source: P.A. 100-512, eff. 7-1-18.)

Article 30. State Fair Gaming Act

Section 30-1. Short title. This Article may be cited as the State Fair Gaming Act. References in this Article to "this Act" mean this Article.

Section 30-5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"State Fair" has the meaning given to that term in the State Fair Act.

Section 30-10. Gambling at the State Fair.

(a) The Board shall issue a licensed establishment license as provided under Section 25 of the Video Gaming Act to a concessioner who will operate at the Illinois State Fairgrounds and at the DuQuoin State Fairgrounds. The concessioner shall be chosen under the Illinois Procurement Code for an operational period not to exceed 3 years. At the conclusion of each 3-year cycle, the Illinois Procurement Code shall be used to determine the new concessioner.

(b) Moneys bid by the concessioner shall be deposited into the State Fairgrounds Capital Improvements and Harness Racing Fund.

Section 30-15. Video gaming at the State Fair.

(a) The concessioner issued a licensed establishment license under Section 30-10 may operate: (1) up to 50 video gaming terminals as provided in the Video Gaming Act during the scheduled dates of the Illinois State Fair; and (2) up to 30 video gaming terminals as provided in the Video Gaming Act during the scheduled dates of the DuQuoin State Fair.

(b) No more than 10 video gaming terminals may be placed in any temporary pavilion where alcoholic beverages are served at either State Fair.

Section 30-20. Revenue.

(a) Notwithstanding any other law to the contrary, a tax is imposed at the rate of 35% of net terminal income received from video gaming under this Act, which shall be remitted to the Board and deposited into the State Fairgrounds Capital Improvements and Harness Racing Fund.

(b) There is created within the State treasury the State Fairgrounds Capital Improvements and Harness Racing Fund. The Department of Agriculture shall use moneys in the State Fairgrounds Capital Improvements and Harness Racing Fund as follows and in the order of priority:

(1) to provide support for a harness race meeting produced by an organization licensee under the Illinois Horse Racing Act of 1975 and which shall consist of up to 30 days of live racing per year at the Illinois State Fairgrounds in Springfield;

(2) to repair and rehabilitate fairgrounds' backstretch facilities to such a level as determined by the Department of Agriculture to be required to carry out a program of live harness racing; and

(3) for the overall repair and rehabilitation of the capital infrastructure of: (i) the Illinois State Fairgrounds in Springfield, and (ii) the DuQuoin State Fairgrounds in DuQuoin, and for no other purpose.

Notwithstanding any other law to the contrary, the entire State share of tax revenues from the race meetings under paragraph (1) of this subsection (c) shall be reinvested into the State Fairgrounds Capital Improvements and Harness Racing Fund.

Section 30-25. Rules. The Board and the Department of Agriculture may adopt rules for the implementation of this Act.

Section 30-900. The State Finance Act is amended by adding Section 5.897 as follows:

(30 ILCS 105/5.897 new)

Sec. 5.897. The State Fairgrounds Capital Improvements and Harness Racing Fund.

Article 35. Amendatory Provisions

Section 35-3. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The

adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance

with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the

Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 this amendatory Act of the 100th General Assembly, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(ff) ~~(ee)~~ In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 this amendatory Act of the 100th General Assembly, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection ~~(ff)~~ ~~(ee)~~. The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection ~~(ff)~~ ~~(ee)~~. The adoption of emergency rules authorized by this subsection ~~(ff)~~ ~~(ee)~~ is deemed to be necessary for the public interest, safety, and welfare.

(gg) ~~(ff)~~ In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 this amendatory Act of the 101st General Assembly, emergency rules may be adopted by the Department of Labor in accordance with this subsection ~~(gg)~~ ~~(ff)~~ to implement the changes made by Public Act 101-1 this amendatory Act of the 101st General Assembly to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection ~~(gg)~~ ~~(ff)~~ is deemed to be necessary for the public interest, safety, and welfare.

(kk) In order to provide for the expeditious and timely implementation of the provisions of subsection (c) of Section 20 of the Video Gaming Act, emergency rules to implement the provisions of subsection (c) of Section 20 of the Video Gaming Act may be adopted in accordance with this subsection (kk) by the Illinois Gaming Board. The adoption of emergency rules authorized by this subsection (kk) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

Section 35-5. The Open Meetings Act is amended by changing Section 2 as follows:

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

Sec. 2. Open meetings.

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

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

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

(1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity. However, a meeting to consider an increase in compensation to a specific employee of a public body that is subject to the Local Government Wage Increase Transparency Act may not be closed and shall be open to the public and posted and held in accordance with this Act.

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

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

(4) Evidence or testimony presented in open hearing, or in closed hearing where specifically authorized by law, to a quasi-adjudicative body, as defined in this Act, provided that the body prepares and makes available for public inspection a written decision setting forth its determinative reasoning.

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

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

(7) The sale or purchase of securities, investments, or investment contracts. This exception shall not apply to the investment of assets or income of funds deposited into the Illinois Prepaid Tuition Trust Fund.

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

(9) Student disciplinary cases.

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

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

(12) The establishment of reserves or settlement of claims as provided in the Local Governmental and Governmental Employees Tort Immunity Act, if otherwise the disposition of a claim or potential claim might be prejudiced, or the review or discussion of claims, loss or risk management information, records, data, advice or communications from or with respect to any insurer of the public body or any intergovernmental risk management association or self insurance pool of which the public body is a member.

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

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

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

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

(17) The recruitment, credentialing, discipline or formal peer review of physicians or other health care professionals, or for the discussion of matters protected under the federal Patient Safety and Quality Improvement Act of 2005, and the regulations promulgated thereunder, including 42 C.F.R. Part 3 (73 FR 70732), or the federal Health Insurance Portability and Accountability Act of 1996, and the regulations promulgated thereunder, including 45 C.F.R. Parts 160, 162, and 164, by a hospital, or other institution providing medical care, that is operated by the public body.

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

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

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

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

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

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

(24) Meetings of a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.

(25) Meetings of an independent team of experts under Brian's Law.

(26) Meetings of a mortality review team appointed under the Department of Juvenile Justice Mortality Review Team Act.

(27) (Blank).

(28) Correspondence and records (i) that may not be disclosed under Section 11-9 of the Illinois Public Aid Code or (ii) that pertain to appeals under Section 11-8 of the Illinois Public Aid Code.

(29) Meetings between internal or external auditors and governmental audit committees,

finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America.

(30) Those meetings or portions of meetings of a fatality review team or the Illinois Fatality Review Team Advisory Council during which a review of the death of an eligible adult in which abuse or neglect is suspected, alleged, or substantiated is conducted pursuant to Section 15 of the Adult Protective Services Act.

(31) Meetings and deliberations for decisions of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act.

(32) Meetings between the Regional Transportation Authority Board and its Service Boards when the discussion involves review by the Regional Transportation Authority Board of employment contracts under Section 28d of the Metropolitan Transit Authority Act and Sections 3A.18 and 3B.26 of the Regional Transportation Authority Act.

(33) Those meetings or portions of meetings of the advisory committee and peer review subcommittee created under Section 320 of the Illinois Controlled Substances Act during which specific controlled substance prescriber, dispenser, or patient information is discussed.

(34) Meetings of the Tax Increment Financing Reform Task Force under Section 2505-800 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(35) Meetings of the group established to discuss Medicaid capitation rates under Section 5-30.8 of the Illinois Public Aid Code.

(36) Those deliberations or portions of deliberations for decisions of the Illinois Gaming Board in which there is discussed any of the following: (i) personal, commercial, financial, or other information obtained from any source that is privileged, proprietary, confidential, or a trade secret; or (ii) information specifically exempted from the disclosure by federal or State law.

(d) Definitions. For purposes of this Section:

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

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

"Quasi-adjudicative body" means an administrative body charged by law or ordinance with the responsibility to conduct hearings, receive evidence or testimony and make determinations based thereon, but does not include local electoral boards when such bodies are considering petition challenges.

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

(Source: P.A. 99-78, eff. 7-20-15; 99-235, eff. 1-1-16; 99-480, eff. 9-9-15; 99-642, eff. 7-28-16; 99-646, eff. 7-28-16; 99-687, eff. 1-1-17; 100-201, eff. 8-18-17; 100-465, eff. 8-31-17; 100-646, eff. 7-27-18.)

Section 35-10. The State Officials and Employees Ethics Act is amended by changing Section 5-45 as follows:

(5 ILCS 430/5-45)

Sec. 5-45. Procurement; revolving door prohibition.

(a) No former officer, member, or State employee, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer, member, or State employee, during the year immediately preceding termination of State employment, participated personally and substantially in the award of State contracts, or the issuance of State contract change orders, with a cumulative value of \$25,000 or more to the person or entity, or its parent or subsidiary.

(a-5) No officer, member, or spouse or immediate family member living with such person shall, during the officer or member's term in office or within a period of 2 years immediately leaving office, hold an ownership interest, other than a passive interest in a publicly traded company, in any gaming license under the Illinois Gambling Act, the Video Gaming Act, the Illinois Horse Racing Act of 1975, or the Sports Wagering Act. Any member of the General Assembly or spouse or immediate family member living with such person who has an ownership interest, other than a passive interest in a publicly traded company, in

any gaming license under the Illinois Gambling Act, the Illinois Horse Racing Act of 1975, the Video Gaming Act, or the Sports Wagering Act at the time of the effective date of this amendatory Act of the 101st General Assembly shall divest himself or herself of such ownership within one year after the effective date of this amendatory Act of the 101st General Assembly. No State employee who works for the Illinois Gaming Board or Illinois Racing Board or spouse or immediate family member living with such person shall, during State employment or within a period of 2 years immediately after termination of State employment, hold an ownership interest, other than a passive interest in a publicly traded company, in any gaming license under the Illinois Gambling Act, the Video Gaming Act, the Illinois Horse Racing Act of 1975, or the Sports Wagering Act.

(b) No former officer of the executive branch or State employee of the executive branch with regulatory or licensing authority, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer or State employee, during the year immediately preceding termination of State employment, participated personally and substantially in making a regulatory or licensing decision that directly applied to the person or entity, or its parent or subsidiary.

(c) Within 6 months after the effective date of this amendatory Act of the 96th General Assembly, each executive branch constitutional officer and legislative leader, the Auditor General, and the Joint Committee on Legislative Support Services shall adopt a policy delineating which State positions under his or her jurisdiction and control, by the nature of their duties, may have the authority to participate personally and substantially in the award of State contracts or in regulatory or licensing decisions. The Governor shall adopt such a policy for all State employees of the executive branch not under the jurisdiction and control of any other executive branch constitutional officer.

The policies required under subsection (c) of this Section shall be filed with the appropriate ethics commission established under this Act or, for the Auditor General, with the Office of the Auditor General.

(d) Each Inspector General shall have the authority to determine that additional State positions under his or her jurisdiction, not otherwise subject to the policies required by subsection (c) of this Section, are nonetheless subject to the notification requirement of subsection (f) below due to their involvement in the award of State contracts or in regulatory or licensing decisions.

(e) The Joint Committee on Legislative Support Services, the Auditor General, and each of the executive branch constitutional officers and legislative leaders subject to subsection (c) of this Section shall provide written notification to all employees in positions subject to the policies required by subsection (c) or a determination made under subsection (d): (1) upon hiring, promotion, or transfer into the relevant position; and (2) at the time the employee's duties are changed in such a way as to qualify that employee. An employee receiving notification must certify in writing that the person was advised of the prohibition and the requirement to notify the appropriate Inspector General in subsection (f).

(f) Any State employee in a position subject to the policies required by subsection (c) or to a determination under subsection (d), but who does not fall within the prohibition of subsection (h) below, who is offered non-State employment during State employment or within a period of one year immediately after termination of State employment shall, prior to accepting such non-State employment, notify the appropriate Inspector General. Within 10 calendar days after receiving notification from an employee in a position subject to the policies required by subsection (c), such Inspector General shall make a determination as to whether the State employee is restricted from accepting such employment by subsection (a) or (b). In making a determination, in addition to any other relevant information, an Inspector General shall assess the effect of the prospective employment or relationship upon decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions. A determination by an Inspector General must be in writing, signed and dated by the Inspector General, and delivered to the subject of the determination within 10 calendar days or the person is deemed eligible for the employment opportunity. For purposes of this subsection, "appropriate Inspector General" means (i) for members and employees of the legislative branch, the Legislative Inspector General; (ii) for the Auditor General and employees of the Office of the Auditor General, the Inspector General provided for in Section 30-5 of this Act; and (iii) for executive branch officers and employees, the Inspector General having jurisdiction over the officer or employee. Notice of any determination of an Inspector General and of any such appeal shall be given to the ultimate jurisdictional authority, the Attorney General, and the Executive Ethics Commission.

(g) An Inspector General's determination regarding restrictions under subsection (a) or (b) may be appealed to the appropriate Ethics Commission by the person subject to the decision or the Attorney General no later than the 10th calendar day after the date of the determination.

On appeal, the Ethics Commission or Auditor General shall seek, accept, and consider written public comments regarding a determination. In deciding whether to uphold an Inspector General's determination, the appropriate Ethics Commission or Auditor General shall assess, in addition to any other relevant information, the effect of the prospective employment or relationship upon the decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions. The Ethics Commission shall decide whether to uphold an Inspector General's determination within 10 calendar days or the person is deemed eligible for the employment opportunity.

(h) The following officers, members, or State employees shall not, within a period of one year immediately after termination of office or State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the person or entity or its parent or subsidiary, during the year immediately preceding termination of State employment, was a party to a State contract or contracts with a cumulative value of \$25,000 or more involving the officer, member, or State employee's State agency, or was the subject of a regulatory or licensing decision involving the officer, member, or State employee's State agency, regardless of whether he or she participated personally and substantially in the award of the State contract or contracts or the making of the regulatory or licensing decision in question:

- (1) members or officers;
- (2) members of a commission or board created by the Illinois Constitution;
- (3) persons whose appointment to office is subject to the advice and consent of the Senate;
- (4) the head of a department, commission, board, division, bureau, authority, or other administrative unit within the government of this State;
- (5) chief procurement officers, State purchasing officers, and their designees whose duties are directly related to State procurement; ~~and~~
- (6) chiefs of staff, deputy chiefs of staff, associate chiefs of staff, assistant chiefs of staff, and deputy governors; ~~;~~
- (7) employees of the Illinois Racing Board; and
- (8) employees of the Illinois Gaming Board.

(i) For the purposes of this Section, with respect to officers or employees of a regional transit board, as defined in this Act, the phrase "person or entity" does not include: (i) the United States government, (ii) the State, (iii) municipalities, as defined under Article VII, Section 1 of the Illinois Constitution, (iv) units of local government, as defined under Article VII, Section 1 of the Illinois Constitution, or (v) school districts.

(Source: P.A. 96-555, eff. 8-18-09; 97-653, eff. 1-13-12.)

Section 35-15. The Alcoholism and Other Drug Abuse and Dependency Act is amended by changing Section 5-20 as follows:

(20 ILCS 301/5-20)

Sec. 5-20. Gambling disorders.

(a) Subject to appropriation, the Department shall establish a program for public education, research, and training regarding gambling disorders and the treatment and prevention of gambling disorders. Subject to specific appropriation for these stated purposes, the program must include all of the following:

- (1) Establishment and maintenance of a toll-free "800" telephone number to provide crisis counseling and referral services to families experiencing difficulty as a result of gambling disorders.
- (2) Promotion of public awareness regarding the recognition and prevention of gambling disorders.
- (3) Facilitation, through in-service training and other means, of the availability of effective assistance programs for gambling disorders.
- (4) Conducting studies to identify adults and juveniles in this State who have, or who are at risk of developing, gambling disorders.

(b) Subject to appropriation, the Department shall either establish and maintain the program or contract with a private or public entity for the establishment and maintenance of the program. Subject to appropriation, either the Department or the private or public entity shall implement the toll-free telephone number, promote public awareness, and conduct in-service training concerning gambling disorders.

(c) Subject to appropriation, the Department shall produce and supply the signs specified in Section 10.7 of the Illinois Lottery Law, Section 34.1 of the Illinois Horse Racing Act of 1975, Section 4.3 of the

Bingo License and Tax Act, Section 8.1 of the Charitable Games Act, and Section 13.1 of the Illinois Riverboat Gambling Act.

(Source: P.A. 100-759, eff. 1-1-19.)

Section 35-20. The Illinois Lottery Law is amended by changing Section 9.1 as follows:
(20 ILCS 1605/9.1)

Sec. 9.1. Private manager and management agreement.

(a) As used in this Section:

"Offeror" means a person or group of persons that responds to a request for qualifications under this Section.

"Request for qualifications" means all materials and documents prepared by the Department to solicit the following from offerors:

(1) Statements of qualifications.

(2) Proposals to enter into a management agreement, including the identity of any prospective vendor or vendors that the offeror intends to initially engage to assist the offeror in performing its obligations under the management agreement.

"Final offer" means the last proposal submitted by an offeror in response to the request for qualifications, including the identity of any prospective vendor or vendors that the offeror intends to initially engage to assist the offeror in performing its obligations under the management agreement.

"Final offeror" means the offeror ultimately selected by the Governor to be the private manager for the Lottery under subsection (h) of this Section.

(b) By September 15, 2010, the Governor shall select a private manager for the total management of the Lottery with integrated functions, such as lottery game design, supply of goods and services, and advertising and as specified in this Section.

(c) Pursuant to the terms of this subsection, the Department shall endeavor to expeditiously terminate the existing contracts in support of the Lottery in effect on the effective date of this amendatory Act of the 96th General Assembly in connection with the selection of the private manager. As part of its obligation to terminate these contracts and select the private manager, the Department shall establish a mutually agreeable timetable to transfer the functions of existing contractors to the private manager so that existing Lottery operations are not materially diminished or impaired during the transition. To that end, the Department shall do the following:

(1) where such contracts contain a provision authorizing termination upon notice, the Department shall provide notice of termination to occur upon the mutually agreed timetable for transfer of functions;

(2) upon the expiration of any initial term or renewal term of the current Lottery contracts, the Department shall not renew such contract for a term extending beyond the mutually agreed timetable for transfer of functions; or

(3) in the event any current contract provides for termination of that contract upon the implementation of a contract with the private manager, the Department shall perform all necessary actions to terminate the contract on the date that coincides with the mutually agreed timetable for transfer of functions.

If the contracts to support the current operation of the Lottery in effect on the effective date of this amendatory Act of the 96th General Assembly are not subject to termination as provided for in this subsection (c), then the Department may include a provision in the contract with the private manager specifying a mutually agreeable methodology for incorporation.

(c-5) The Department shall include provisions in the management agreement whereby the private manager shall, for a fee, and pursuant to a contract negotiated with the Department (the "Employee Use Contract"), utilize the services of current Department employees to assist in the administration and operation of the Lottery. The Department shall be the employer of all such bargaining unit employees assigned to perform such work for the private manager, and such employees shall be State employees, as defined by the Personnel Code. Department employees shall operate under the same employment policies, rules, regulations, and procedures, as other employees of the Department. In addition, neither historical representation rights under the Illinois Public Labor Relations Act, nor existing collective bargaining agreements, shall be disturbed by the management agreement with the private manager for the management of the Lottery.

(d) The management agreement with the private manager shall include all of the following:

(1) A term not to exceed 10 years, including any renewals.

(2) A provision specifying that the Department:

(A) shall exercise actual control over all significant business decisions;

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(A-5) has the authority to direct or countermand operating decisions by the private manager at any time;

(B) has ready access at any time to information regarding Lottery operations;

(C) has the right to demand and receive information from the private manager concerning any aspect of the Lottery operations at any time; and

(D) retains ownership of all trade names, trademarks, and intellectual property associated with the Lottery.

(3) A provision imposing an affirmative duty on the private manager to provide the Department with material information and with any information the private manager reasonably believes the Department would want to know to enable the Department to conduct the Lottery.

(4) A provision requiring the private manager to provide the Department with advance notice of any operating decision that bears significantly on the public interest, including, but not limited to, decisions on the kinds of games to be offered to the public and decisions affecting the relative risk and reward of the games being offered, so the Department has a reasonable opportunity to evaluate and countermand that decision.

(5) A provision providing for compensation of the private manager that may consist of, among other things, a fee for services and a performance based bonus as consideration for managing the Lottery, including terms that may provide the private manager with an increase in compensation if Lottery revenues grow by a specified percentage in a given year.

(6) (Blank).

(7) A provision requiring the deposit of all Lottery proceeds to be deposited into the State Lottery Fund except as otherwise provided in Section 20 of this Act.

(8) A provision requiring the private manager to locate its principal office within the State.

(8-5) A provision encouraging that at least 20% of the cost of contracts entered into for goods and services by the private manager in connection with its management of the Lottery, other than contracts with sales agents or technical advisors, be awarded to businesses that are a minority-owned business, a women-owned business, or a business owned by a person with disability, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(9) A requirement that so long as the private manager complies with all the conditions of the agreement under the oversight of the Department, the private manager shall have the following duties and obligations with respect to the management of the Lottery:

(A) The right to use equipment and other assets used in the operation of the Lottery.

(B) The rights and obligations under contracts with retailers and vendors.

(C) The implementation of a comprehensive security program by the private manager.

(D) The implementation of a comprehensive system of internal audits.

(E) The implementation of a program by the private manager to curb compulsive gambling by persons playing the Lottery.

(F) A system for determining (i) the type of Lottery games, (ii) the method of selecting winning tickets, (iii) the manner of payment of prizes to holders of winning tickets, (iv) the frequency of drawings of winning tickets, (v) the method to be used in selling tickets, (vi) a system for verifying the validity of tickets claimed to be winning tickets, (vii) the basis upon which retailer commissions are established by the manager, and (viii) minimum payouts.

(10) A requirement that advertising and promotion must be consistent with Section 7.8a of this Act.

(11) A requirement that the private manager market the Lottery to those residents who are new, infrequent, or lapsed players of the Lottery, especially those who are most likely to make regular purchases on the Internet as permitted by law.

(12) A code of ethics for the private manager's officers and employees.

(13) A requirement that the Department monitor and oversee the private manager's practices and take action that the Department considers appropriate to ensure that the private manager is in compliance with the terms of the management agreement, while allowing the manager, unless specifically prohibited by law or the management agreement, to negotiate and sign its own contracts with vendors.

(14) A provision requiring the private manager to periodically file, at least on an annual basis, appropriate financial statements in a form and manner acceptable to the Department.

(15) Cash reserves requirements.

(16) Procedural requirements for obtaining the prior approval of the Department when a

management agreement or an interest in a management agreement is sold, assigned, transferred, or pledged as collateral to secure financing.

(17) Grounds for the termination of the management agreement by the Department or the private manager.

(18) Procedures for amendment of the agreement.

(19) A provision requiring the private manager to engage in an open and competitive bidding process for any procurement having a cost in excess of \$50,000 that is not a part of the private manager's final offer. The process shall favor the selection of a vendor deemed to have submitted a proposal that provides the Lottery with the best overall value. The process shall not be subject to the provisions of the Illinois Procurement Code, unless specifically required by the management agreement.

(20) The transition of rights and obligations, including any associated equipment or other assets used in the operation of the Lottery, from the manager to any successor manager of the lottery, including the Department, following the termination of or foreclosure upon the management agreement.

(21) Right of use of copyrights, trademarks, and service marks held by the Department in the name of the State. The agreement must provide that any use of them by the manager shall only be for the purpose of fulfilling its obligations under the management agreement during the term of the agreement.

(22) The disclosure of any information requested by the Department to enable it to comply with the reporting requirements and information requests provided for under subsection (p) of this Section.

(e) Notwithstanding any other law to the contrary, the Department shall select a private manager through a competitive request for qualifications process consistent with Section 20-35 of the Illinois Procurement Code, which shall take into account:

(1) the offeror's ability to market the Lottery to those residents who are new, infrequent, or lapsed players of the Lottery, especially those who are most likely to make regular purchases on the Internet;

(2) the offeror's ability to address the State's concern with the social effects of gambling on those who can least afford to do so;

(3) the offeror's ability to provide the most successful management of the Lottery for the benefit of the people of the State based on current and past business practices or plans of the offeror; and

(4) the offeror's poor or inadequate past performance in servicing, equipping, operating or managing a lottery on behalf of Illinois, another State or foreign government and attracting persons who are not currently regular players of a lottery.

(f) The Department may retain the services of an advisor or advisors with significant experience in financial services or the management, operation, and procurement of goods, services, and equipment for a government-run lottery to assist in the preparation of the terms of the request for qualifications and selection of the private manager. Any prospective advisor seeking to provide services under this subsection (f) shall disclose any material business or financial relationship during the past 3 years with any potential offeror, or with a contractor or subcontractor presently providing goods, services, or equipment to the Department to support the Lottery. The Department shall evaluate the material business or financial relationship of each prospective advisor. The Department shall not select any prospective advisor with a substantial business or financial relationship that the Department deems to impair the objectivity of the services to be provided by the prospective advisor. During the course of the advisor's engagement by the Department, and for a period of one year thereafter, the advisor shall not enter into any business or financial relationship with any offeror or any vendor identified to assist an offeror in performing its obligations under the management agreement. Any advisor retained by the Department shall be disqualified from being an offeror. The Department shall not include terms in the request for qualifications that provide a material advantage whether directly or indirectly to any potential offeror, or any contractor or subcontractor presently providing goods, services, or equipment to the Department to support the Lottery, including terms contained in previous responses to requests for proposals or qualifications submitted to Illinois, another State or foreign government when those terms are uniquely associated with a particular potential offeror, contractor, or subcontractor. The request for proposals offered by the Department on December 22, 2008 as "LOT08GAMESYS" and reference number "22016176" is declared void.

(g) The Department shall select at least 2 offerors as finalists to potentially serve as the private manager no later than August 9, 2010. Upon making preliminary selections, the Department shall schedule a public hearing on the finalists' proposals and provide public notice of the hearing at least 7 calendar days before the hearing. The notice must include all of the following:

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- (1) The date, time, and place of the hearing.
- (2) The subject matter of the hearing.
- (3) A brief description of the management agreement to be awarded.
- (4) The identity of the offerors that have been selected as finalists to serve as the private manager.
- (5) The address and telephone number of the Department.

(h) At the public hearing, the Department shall (i) provide sufficient time for each finalist to present and explain its proposal to the Department and the Governor or the Governor's designee, including an opportunity to respond to questions posed by the Department, Governor, or designee and (ii) allow the public and non-selected offerors to comment on the presentations. The Governor or a designee shall attend the public hearing. After the public hearing, the Department shall have 14 calendar days to recommend to the Governor whether a management agreement should be entered into with a particular finalist. After reviewing the Department's recommendation, the Governor may accept or reject the Department's recommendation, and shall select a final offeror as the private manager by publication of a notice in the Illinois Procurement Bulletin on or before September 15, 2010. The Governor shall include in the notice a detailed explanation and the reasons why the final offeror is superior to other offerors and will provide management services in a manner that best achieves the objectives of this Section. The Governor shall also sign the management agreement with the private manager.

(i) Any action to contest the private manager selected by the Governor under this Section must be brought within 7 calendar days after the publication of the notice of the designation of the private manager as provided in subsection (h) of this Section.

(j) The Lottery shall remain, for so long as a private manager manages the Lottery in accordance with provisions of this Act, a Lottery conducted by the State, and the State shall not be authorized to sell or transfer the Lottery to a third party.

(k) Any tangible personal property used exclusively in connection with the lottery that is owned by the Department and leased to the private manager shall be owned by the Department in the name of the State and shall be considered to be public property devoted to an essential public and governmental function.

(l) The Department may exercise any of its powers under this Section or any other law as necessary or desirable for the execution of the Department's powers under this Section.

(m) Neither this Section nor any management agreement entered into under this Section prohibits the General Assembly from authorizing forms of gambling that are not in direct competition with the Lottery. The forms of gambling authorized by this amendatory Act of the 101st General Assembly constitute authorized forms of gambling that are not in direct competition with the Lottery.

(n) The private manager shall be subject to a complete investigation in the third, seventh, and tenth years of the agreement (if the agreement is for a 10-year term) by the Department in cooperation with the Auditor General to determine whether the private manager has complied with this Section and the management agreement. The private manager shall bear the cost of an investigation or reinvestigation of the private manager under this subsection.

(o) The powers conferred by this Section are in addition and supplemental to the powers conferred by any other law. If any other law or rule is inconsistent with this Section, including, but not limited to, provisions of the Illinois Procurement Code, then this Section controls as to any management agreement entered into under this Section. This Section and any rules adopted under this Section contain full and complete authority for a management agreement between the Department and a private manager. No law, procedure, proceeding, publication, notice, consent, approval, order, or act by the Department or any other officer, Department, agency, or instrumentality of the State or any political subdivision is required for the Department to enter into a management agreement under this Section. This Section contains full and complete authority for the Department to approve any contracts entered into by a private manager with a vendor providing goods, services, or both goods and services to the private manager under the terms of the management agreement, including subcontractors of such vendors.

Upon receipt of a written request from the Chief Procurement Officer, the Department shall provide to the Chief Procurement Officer a complete and un-redacted copy of the management agreement or any contract that is subject to the Department's approval authority under this subsection (o). The Department shall provide a copy of the agreement or contract to the Chief Procurement Officer in the time specified by the Chief Procurement Officer in his or her written request, but no later than 5 business days after the request is received by the Department. The Chief Procurement Officer must retain any portions of the management agreement or of any contract designated by the Department as confidential, proprietary, or trade secret information in complete confidence pursuant to subsection (g) of Section 7 of the Freedom of Information Act. The Department shall also provide the Chief Procurement Officer with reasonable advance written notice of any contract that is pending Department approval.

Notwithstanding any other provision of this Section to the contrary, the Chief Procurement Officer shall adopt administrative rules, including emergency rules, to establish a procurement process to select a successor private manager if a private management agreement has been terminated. The selection process shall at a minimum take into account the criteria set forth in items (1) through (4) of subsection (e) of this Section and may include provisions consistent with subsections (f), (g), (h), and (i) of this Section. The Chief Procurement Officer shall also implement and administer the adopted selection process upon the termination of a private management agreement. The Department, after the Chief Procurement Officer certifies that the procurement process has been followed in accordance with the rules adopted under this subsection (e), shall select a final offeror as the private manager and sign the management agreement with the private manager.

Except as provided in Sections 21.5, 21.6, 21.7, 21.8, 21.9, and 21.10, and ~~21.11, 21.10~~ the Department shall distribute all proceeds of lottery tickets and shares sold in the following priority and manner:

(1) The payment of prizes and retailer bonuses.

(2) The payment of costs incurred in the operation and administration of the Lottery, including the payment of sums due to the private manager under the management agreement with the Department.

(3) On the last day of each month or as soon thereafter as possible, the State Comptroller shall direct and the State Treasurer shall transfer from the State Lottery Fund to the Common School Fund an amount that is equal to the proceeds transferred in the corresponding month of fiscal year 2009, as adjusted for inflation, to the Common School Fund.

(4) On or before September 30 of each fiscal year, deposit any estimated remaining proceeds from the prior fiscal year, subject to payments under items (1), (2), and (3), into the Capital Projects Fund. Beginning in fiscal year 2019, the amount deposited shall be increased or decreased each year by the amount the estimated payment differs from the amount determined from each year-end financial audit. Only remaining net deficits from prior fiscal years may reduce the requirement to deposit these funds, as determined by the annual financial audit.

(p) The Department shall be subject to the following reporting and information request requirements:

(1) the Department shall submit written quarterly reports to the Governor and the General Assembly on the activities and actions of the private manager selected under this Section;

(2) upon request of the Chief Procurement Officer, the Department shall promptly produce information related to the procurement activities of the Department and the private manager requested by the Chief Procurement Officer; the Chief Procurement Officer must retain confidential, proprietary, or trade secret information designated by the Department in complete confidence pursuant to subsection (g) of Section 7 of the Freedom of Information Act; and

(3) at least 30 days prior to the beginning of the Department's fiscal year, the Department shall prepare an annual written report on the activities of the private manager selected under this Section and deliver that report to the Governor and General Assembly.

(Source: P.A. 99-933, eff. 1-27-17; 100-391, eff. 8-25-17; 100-587, eff. 6-4-18; 100-647, eff. 7-30-18; 100-1068, eff. 8-24-18; revised 9-20-18.)

Section 35-25. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by changing Section 2505-305 as follows:

(20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

Sec. 2505-305. Investigators.

(a) The Department has the power to appoint investigators to conduct all investigations, searches, seizures, arrests, and other duties imposed under the provisions of any law administered by the Department. Except as provided in subsection (c), these investigators have and may exercise all the powers of peace officers solely for the purpose of enforcing taxing measures administered by the Department.

(b) The Director must authorize to each investigator employed under this Section and to any other employee of the Department exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Department and (ii) contains a unique identifying number. No other badge shall be authorized by the Department.

(c) The Department may enter into agreements with the Illinois Gaming Board providing that investigators appointed under this Section shall exercise the peace officer powers set forth in paragraph (20.6) of subsection (c) of Section 5 of the ~~Illinois Riverboat~~ Illinois Riverboat Gambling Act.

(Source: P.A. 96-37, eff. 7-13-09.)

Section 35-30. The State Finance Act is amended by changing Section 6z-45 as follows:

(30 ILCS 105/6z-45)

[June 2, 2019]

Sec. 6z-45. The School Infrastructure Fund.

(a) The School Infrastructure Fund is created as a special fund in the State Treasury.

In addition to any other deposits authorized by law, beginning January 1, 2000, on the first day of each month, or as soon thereafter as may be practical, the State Treasurer and State Comptroller shall transfer the sum of \$5,000,000 from the General Revenue Fund to the School Infrastructure Fund, except that, notwithstanding any other provision of law, and in addition to any other transfers that may be provided for by law, before June 30, 2012, the Comptroller and the Treasurer shall transfer \$45,000,000 from the General Revenue Fund into the School Infrastructure Fund, and, for fiscal year 2013 only, the Treasurer and the Comptroller shall transfer \$1,250,000 from the General Revenue Fund to the School Infrastructure Fund on the first day of each month; provided, however, that no such transfers shall be made from July 1, 2001 through June 30, 2003.

(a-5) Money in the School Infrastructure Fund may be used to pay the expenses of the State Board of Education, the Governor's Office of Management and Budget, and the Capital Development Board in administering programs under the School Construction Law, the total expenses not to exceed \$1,315,000 in any fiscal year.

(b) Subject to the transfer provisions set forth below, money in the School Infrastructure Fund shall, if and when the State of Illinois incurs any bonded indebtedness for the construction of school improvements under subsection (e) of Section 5 of the General Obligation Bond Act, be set aside and used for the purpose of paying and discharging annually the principal and interest on that bonded indebtedness then due and payable, and for no other purpose.

In addition to other transfers to the General Obligation Bond Retirement and Interest Fund made pursuant to Section 15 of the General Obligation Bond Act, upon each delivery of bonds issued for construction of school improvements under the School Construction Law, the State Comptroller shall compute and certify to the State Treasurer the total amount of principal of, interest on, and premium, if any, on such bonds during the then current and each succeeding fiscal year. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period.

On or before the last day of each month, the State Treasurer and State Comptroller shall transfer from the School Infrastructure Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the bonds payable on their next payment date, divided by the number of monthly transfers occurring between the last previous payment date (or the delivery date if no payment date has yet occurred) and the next succeeding payment date. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period. Interest for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection.

(b-5) The money deposited into the School Infrastructure Fund from transfers pursuant to subsections (c-30) and (c-35) of Section 13 of the ~~Illinois Riverboat~~ Gambling Act shall be applied, without further direction, as provided in subsection (b-3) of Section 5-35 of the School Construction Law.

(c) The surplus, if any, in the School Infrastructure Fund after payments made pursuant to subsections (a-5), (b), and (b-5) of this Section shall, subject to appropriation, be used as follows:

First - to make 3 payments to the School Technology Revolving Loan Fund as follows:

- Transfer of \$30,000,000 in fiscal year 1999;
- Transfer of \$20,000,000 in fiscal year 2000; and
- Transfer of \$10,000,000 in fiscal year 2001.

Second - to pay any amounts due for grants for school construction projects and debt service under the School Construction Law.

Third - to pay any amounts due for grants for school maintenance projects under the School Construction Law.

(Source: P.A. 100-23, eff. 7-6-17.)

Section 35-35. The Illinois Income Tax Act is amended by changing Sections 201, 303, 304, and 710 as follows:

(35 ILCS 5/201) (from Ch. 120, par. 2-201)

Sec. 201. Tax imposed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) In the case of a corporation, for taxable years beginning on or after January 1,

2015, and ending prior to July 1, 2017, an amount equal to 5.25% of the taxpayer's net income for the taxable year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d-1) Rate reduction for certain foreign insurers. In the case of a foreign insurer, as defined by Section 35A-5 of the Illinois Insurance Code, whose state or country of domicile imposes on insurers domiciled in Illinois a retaliatory tax (excluding any insurer whose premiums from reinsurance assumed are 50% or more of its total insurance premiums as determined under paragraph (2) of subsection (b) of Section 304, except that for purposes of this determination premiums from reinsurance do not include premiums from

inter-affiliate reinsurance arrangements), beginning with taxable years ending on or after December 31, 1999, the sum of the rates of tax imposed by subsections (b) and (d) shall be reduced (but not increased) to the rate at which the total amount of tax imposed under this Act, net of all credits allowed under this Act, shall equal (i) the total amount of tax that would be imposed on the foreign insurer's net income allocable to Illinois for the taxable year by such foreign insurer's state or country of domicile if that net income were subject to all income taxes and taxes measured by net income imposed by such foreign insurer's state or country of domicile, net of all credits allowed or (ii) a rate of zero if no such tax is imposed on such income by the foreign insurer's state of domicile. For the purposes of this subsection (d-1), an inter-affiliate includes a mutual insurer under common management.

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

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

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code, equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

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

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

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

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

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

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

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

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

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

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

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

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

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

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

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

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

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

For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal

to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. This paragraph is exempt from the provisions of Section 250.

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

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

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

(7) There shall be allowed an additional credit equal to 0.5% of the basis of qualified property placed in service during the taxable year in a River Edge Redevelopment Zone, provided such property is placed in service on or after July 1, 2006, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file

employment records with the Illinois Department of Employment Security. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is 0.5% and the denominator of which is 1%, but shall not exceed 0.5%.

(g) (Blank).

(h) Investment credit; High Impact Business.

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

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

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

(7) Beginning with tax years ending after December 31, 1996, if a taxpayer qualifies for

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

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

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

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

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

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

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2022, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

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

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

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

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

It is the intent of the General Assembly that the research and development credit under this subsection (k) shall apply continuously for all tax years ending on or after December 31, 2004 and ending prior to January 1, 2022, including, but not limited to, the period beginning on January 1, 2016 and ending on the effective date of this amendatory Act of the 100th General Assembly. All actions taken in reliance on the continuation of the credit under this subsection (k) by any taxpayer are hereby validated.

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of \$100,000 per site, except that the \$100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed \$40,000 per year with a maximum total of \$150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion

of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

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

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

For purposes of this subsection:

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

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

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

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

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

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

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused

credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

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

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

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

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

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

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

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

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

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

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

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

(Source: P.A. 100-22, eff. 7-6-17.)

(35 ILCS 5/303) (from Ch. 120, par. 3-303)

Sec. 303. (a) In general. Any item of capital gain or loss, and any item of income from rents or royalties from real or tangible personal property, interest, dividends, and patent or copyright royalties, and prizes awarded under the Illinois Lottery Law, and, for taxable years ending on or after December 31, 2019, wagering and gambling winnings from Illinois sources as set forth in subsection (e-1) of this Section, to the extent such item constitutes nonbusiness income, together with any item of deduction directly allocable thereto, shall be allocated by any person other than a resident as provided in this Section.

(b) Capital gains and losses.

(1) Real property. Capital gains and losses from sales or exchanges of real property are allocable to this State if the property is located in this State.

(2) Tangible personal property. Capital gains and losses from sales or exchanges of tangible personal property are allocable to this State if, at the time of such sale or exchange:

(A) The property had its situs in this State; or

(B) The taxpayer had its commercial domicile in this State and was not taxable in the state in which the property had its situs.

(3) Intangibles. Capital gains and losses from sales or exchanges of intangible personal property are allocable to this State if the taxpayer had its commercial domicile in this State at the time of such sale or exchange.

(c) Rents and royalties.

(1) Real property. Rents and royalties from real property are allocable to this State if the property is located in this State.

(2) Tangible personal property. Rents and royalties from tangible personal property are allocable to this State:

(A) If and to the extent that the property is utilized in this State; or

(B) In their entirety if, at the time such rents or royalties were paid or accrued,

the taxpayer had its commercial domicile in this State and was not organized under the laws of or taxable with respect to such rents or royalties in the state in which the property was utilized. The extent of utilization of tangible personal property in a state is determined by multiplying the rents or royalties derived from such property by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.

(d) Patent and copyright royalties.

(1) Allocation. Patent and copyright royalties are allocable to this State:

(A) If and to the extent that the patent or copyright is utilized by the payer in this State; or

(B) If and to the extent that the patent or copyright is utilized by the payer in a state in which the taxpayer is not taxable with respect to such royalties and, at the time such royalties were paid or accrued, the taxpayer had its commercial domicile in this State.

(2) Utilization.

(A) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in this State if the taxpayer has its commercial domicile in this State.

(B) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in this State if the taxpayer has its commercial domicile in this State.

(e) Illinois lottery prizes. Prizes awarded under the Illinois Lottery Law are allocable to this State. Payments received in taxable years ending on or after December 31, 2013, from the assignment of a prize under Section 13.1 of the Illinois Lottery Law are allocable to this State.

(e-1) Wagering and gambling winnings. Payments received in taxable years ending on or after December 31, 2019 of winnings from pari-mutuel wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975 and from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act are allocable to this State.

(e-5) Unemployment benefits. Unemployment benefits paid by the Illinois Department of Employment Security are allocable to this State.

(f) Taxability in other state. For purposes of allocation of income pursuant to this Section, a taxpayer is taxable in another state if:

(1) In that state he is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or

(2) That state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

(g) Cross references.

(1) For allocation of interest and dividends by persons other than residents, see Section 301(c)(2).

(2) For allocation of nonbusiness income by residents, see Section 301(a).

(Source: P.A. 97-709, eff. 7-1-12; 98-496, eff. 1-1-14.)

(35 ILCS 5/304) (from Ch. 120, par. 3-304)

Sec. 304. Business income of persons other than residents.

(a) In general. The business income of a person other than a resident shall be allocated to this State if such person's business income is derived solely from this State. If a person other than a resident derives business income from this State and one or more other states, then, for tax years ending on or before December 30, 1998, and except as otherwise provided by this Section, such person's business income shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the sum of the property factor (if any), the payroll factor (if any) and 200% of the sales factor (if any), and the denominator of which is 4 reduced by the number of factors other than the sales factor which have a denominator of zero and by an additional 2 if the sales factor has a denominator of zero. For tax years ending on or after December 31, 1998, and except as otherwise provided by this Section, persons other than residents who derive business income from this State and one or more other states shall compute their

apportionment factor by weighting their property, payroll, and sales factors as provided in subsection (h) of this Section.

(1) Property factor.

(A) The property factor is a fraction, the numerator of which is the average value of the person's real and tangible personal property owned or rented and used in the trade or business in this State during the taxable year and the denominator of which is the average value of all the person's real and tangible personal property owned or rented and used in the trade or business during the taxable year.

(B) Property owned by the person is valued at its original cost. Property rented by the person is valued at 8 times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the person less any annual rental rate received by the person from sub-rentals.

(C) The average value of property shall be determined by averaging the values at the beginning and ending of the taxable year but the Director may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the person's property.

(2) Payroll factor.

(A) The payroll factor is a fraction, the numerator of which is the total amount paid in this State during the taxable year by the person for compensation, and the denominator of which is the total compensation paid everywhere during the taxable year.

(B) Compensation is paid in this State if:

(i) The individual's service is performed entirely within this State;

(ii) The individual's service is performed both within and without this State, but the service performed without this State is incidental to the individual's service performed within this State; or

(iii) Some of the service is performed within this State and either the base of operations, or if there is no base of operations, the place from which the service is directed or controlled is within this State, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this State.

(iv) Compensation paid to nonresident professional athletes.

(a) General. The Illinois source income of a nonresident individual who is a member of a professional athletic team includes the portion of the individual's total compensation for services performed as a member of a professional athletic team during the taxable year which the number of duty days spent within this State performing services for the team in any manner during the taxable year bears to the total number of duty days spent both within and without this State during the taxable year.

(b) Travel days. Travel days that do not involve either a game, practice, team meeting, or other similar team event are not considered duty days spent in this State. However, such travel days are considered in the total duty days spent both within and without this State.

(c) Definitions. For purposes of this subpart (iv):

(1) The term "professional athletic team" includes, but is not limited to, any professional baseball, basketball, football, soccer, or hockey team.

(2) The term "member of a professional athletic team" includes those employees who are active players, players on the disabled list, and any other persons required to travel and who travel with and perform services on behalf of a professional athletic team on a regular basis. This includes, but is not limited to, coaches, managers, and trainers.

(3) Except as provided in items (C) and (D) of this subpart (3), the term "duty days" means all days during the taxable year from the beginning of the professional athletic team's official pre-season training period through the last game in which the team competes or is scheduled to compete. Duty days shall be counted for the year in which they occur, including where a team's official pre-season training period through the last game in which the team competes or is scheduled to compete, occurs during more than one tax year.

(A) Duty days shall also include days on which a member of a professional athletic team performs service for a team on a date that does not fall within the foregoing period (e.g., participation in instructional leagues, the "All Star Game", or promotional "caravans"). Performing a service for a professional athletic team includes conducting training and rehabilitation activities, when such activities are conducted at team facilities.

(B) Also included in duty days are game days, practice days, days spent at team meetings, promotional caravans, preseason training camps, and days served with the team through all post-season games in which the team competes or is scheduled to compete.

(C) Duty days for any person who joins a team during the period from the beginning of the professional athletic team's official pre-season training period through the last game in which the team competes, or is scheduled to compete, shall begin on the day that person joins the team. Conversely, duty days for any person who leaves a team during this period shall end on the day that person leaves the team. Where a person switches teams during a taxable year, a separate duty-day calculation shall be made for the period the person was with each team.

(D) Days for which a member of a professional athletic team is not compensated and is not performing services for the team in any manner, including days when such member of a professional athletic team has been suspended without pay and prohibited from performing any services for the team, shall not be treated as duty days.

(E) Days for which a member of a professional athletic team is on the disabled list and does not conduct rehabilitation activities at facilities of the team, and is not otherwise performing services for the team in Illinois, shall not be considered duty days spent in this State. All days on the disabled list, however, are considered to be included in total duty days spent both within and without this State.

(4) The term "total compensation for services performed as a member of a professional athletic team" means the total compensation received during the taxable year for services performed:

(A) from the beginning of the official pre-season training period through the last game in which the team competes or is scheduled to compete during that taxable year; and

(B) during the taxable year on a date which does not fall within the foregoing period (e.g., participation in instructional leagues, the "All Star Game", or promotional caravans).

This compensation shall include, but is not limited to, salaries, wages, bonuses as described in this subpart, and any other type of compensation paid during the taxable year to a member of a professional athletic team for services performed in that year. This compensation does not include strike benefits, severance pay, termination pay, contract or option year buy-out payments, expansion or relocation payments, or any other payments not related to services performed for the team.

For purposes of this subparagraph, "bonuses" included in "total compensation for services performed as a member of a professional athletic team" subject to the allocation described in Section 302(c)(1) are: bonuses earned as a result of play (i.e., performance bonuses) during the season, including bonuses paid for championship, playoff or "bowl" games played by a team, or for selection to all-star league or other honorary positions; and bonuses paid for signing a contract, unless the payment of the signing bonus is not conditional upon the signee playing any games for the team or performing any subsequent services for the team or even making the team, the signing bonus is payable separately from the salary and any other compensation, and the signing bonus is nonrefundable.

(3) Sales factor.

(A) The sales factor is a fraction, the numerator of which is the total sales of the person in this State during the taxable year, and the denominator of which is the total sales of the person everywhere during the taxable year.

(B) Sales of tangible personal property are in this State if:

(i) The property is delivered or shipped to a purchaser, other than the United

States government, within this State regardless of the f. o. b. point or other conditions of the sale; or

(ii) The property is shipped from an office, store, warehouse, factory or other place of storage in this State and either the purchaser is the United States government or the person is not taxable in the state of the purchaser; provided, however, that premises owned or leased by a person who has independently contracted with the seller for the printing of newspapers, periodicals or books shall not be deemed to be an office, store, warehouse, factory or other place of storage for purposes of this Section. Sales of tangible personal property are not in this State if the seller and purchaser would be members of the same unitary business group but for the fact that either the seller or purchaser is a person with 80% or more of total business activity outside of the United States and the property is purchased for resale.

(B-1) Patents, copyrights, trademarks, and similar items of intangible personal property.

(i) Gross receipts from the licensing, sale, or other disposition of a patent,

copyright, trademark, or similar item of intangible personal property, other than gross receipts governed by paragraph (B-7) of this item (3), are in this State to the extent the item is utilized in this State during the year the gross receipts are included in gross income.

(ii) Place of utilization.

(I) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If a patent is utilized in more than one state, the extent to which it is utilized in any one state shall be a fraction equal to the gross receipts of the licensee or purchaser from sales or leases of items produced, fabricated, manufactured, or processed within that state using the patent and of patented items produced within that state, divided by the total of such gross receipts for all states in which the patent is utilized.

(II) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If a copyright is utilized in more than one state, the extent to which it is utilized in any one state shall be a fraction equal to the gross receipts from sales or licenses of materials printed or published in that state divided by the total of such gross receipts for all states in which the copyright is utilized.

(III) Trademarks and other items of intangible personal property governed by this paragraph (B-1) are utilized in the state in which the commercial domicile of the licensee or purchaser is located.

(iii) If the state of utilization of an item of property governed by this paragraph (B-1) cannot be determined from the taxpayer's books and records or from the books and records of any person related to the taxpayer within the meaning of Section 267(b) of the Internal Revenue Code, 26 U.S.C. 267, the gross receipts attributable to that item shall be excluded from both the numerator and the denominator of the sales factor.

(B-2) Gross receipts from the license, sale, or other disposition of patents, copyrights, trademarks, and similar items of intangible personal property, other than gross receipts governed by paragraph (B-7) of this item (3), may be included in the numerator or denominator of the sales factor only if gross receipts from licenses, sales, or other disposition of such items comprise more than 50% of the taxpayer's total gross receipts included in gross income during the tax year and during each of the 2 immediately preceding tax years; provided that, when a taxpayer is a member of a unitary business group, such determination shall be made on the basis of the gross receipts of the entire unitary business group.

(B-5) For taxable years ending on or after December 31, 2008, except as provided in subsections (ii) through (vii), receipts from the sale of telecommunications service or mobile telecommunications service are in this State if the customer's service address is in this State.

(i) For purposes of this subparagraph (B-5), the following terms have the following meanings:

"Ancillary services" means services that are associated with or incidental to the provision of "telecommunications services", including but not limited to "detailed telecommunications billing", "directory assistance", "vertical service", and "voice mail services".

"Air-to-Ground Radiotelephone service" means a radio service, as that term is defined in 47 CFR 22.99, in which common carriers are authorized to offer and provide radio telecommunications service for hire to subscribers in aircraft.

"Call-by-call Basis" means any method of charging for telecommunications services where the price is measured by individual calls.

"Communications Channel" means a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points.

"Conference bridging service" means an "ancillary service" that links two or more participants of an audio or video conference call and may include the provision of a telephone number. "Conference bridging service" does not include the "telecommunications services" used to reach the conference bridge.

"Customer Channel Termination Point" means the location where the customer either inputs or receives the communications.

"Detailed telecommunications billing service" means an "ancillary service" of separately stating information pertaining to individual calls on a customer's billing statement.

"Directory assistance" means an "ancillary service" of providing telephone number information, and/or address information.

"Home service provider" means the facilities based carrier or reseller with which the customer contracts for the provision of mobile telecommunications services.

"Mobile telecommunications service" means commercial mobile radio service, as defined in Section 20.3 of Title 47 of the Code of Federal Regulations as in effect on June 1, 1999.

"Place of primary use" means the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer. In the case of mobile telecommunications services, "place of primary use" must be within the licensed service area of the home service provider.

"Post-paid telecommunication service" means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service. A post-paid calling service includes telecommunications service, except a prepaid wireless calling service, that would be a prepaid calling service except it is not exclusively a telecommunication service.

"Prepaid telecommunication service" means the right to access exclusively telecommunications services, which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

"Prepaid Mobile telecommunication service" means a telecommunications service that provides the right to utilize mobile wireless service as well as other non-telecommunication services, including but not limited to ancillary services, which must be paid for in advance that is sold in predetermined units or dollars of which the number declines with use in a known amount.

"Private communication service" means a telecommunication service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels.

"Service address" means:

(a) The location of the telecommunications equipment to which a customer's call is charged and from which the call originates or terminates, regardless of where the call is billed or paid;

(b) If the location in line (a) is not known, service address means the origination point of the signal of the telecommunications services first identified by either the seller's telecommunications system or in information received by the seller from its service provider where the system used to transport such signals is not that of the seller; and

(c) If the locations in line (a) and line (b) are not known, the service address means the location of the customer's place of primary use.

"Telecommunications service" means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. The term "telecommunications service" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as voice over Internet protocol services or is classified by the Federal Communications Commission as enhanced or value added. "Telecommunications service" does not include:

(a) Data processing and information services that allow data to be generated, acquired, stored, processed, or retrieved and delivered by an electronic transmission to a purchaser when such purchaser's primary purpose for the underlying transaction is the processed data or information;

(b) Installation or maintenance of wiring or equipment on a customer's premises;

(c) Tangible personal property;

(d) Advertising, including but not limited to directory advertising;

(e) Billing and collection services provided to third parties;

(f) Internet access service;

(g) Radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance and routing of such services by the programming service provider. Radio and television audio and video programming services shall include but not be limited to cable service as defined in 47 USC 522(6) and audio and video

programming services delivered by commercial mobile radio service providers, as defined in 47 CFR 20.3;

(h) "Ancillary services"; or

(i) Digital products "delivered electronically", including but not limited to software, music, video, reading materials or ring tones.

"Vertical service" means an "ancillary service" that is offered in connection with one or more "telecommunications services", which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including "conference bridging services".

"Voice mail service" means an "ancillary service" that enables the customer to store, send or receive recorded messages. "Voice mail service" does not include any "vertical services" that the customer may be required to have in order to utilize the "voice mail service".

(ii) Receipts from the sale of telecommunications service sold on an individual call-by-call basis are in this State if either of the following applies:

(a) The call both originates and terminates in this State.

(b) The call either originates or terminates in this State and the service address is located in this State.

(iii) Receipts from the sale of postpaid telecommunications service at retail are in this State if the origination point of the telecommunication signal, as first identified by the service provider's telecommunication system or as identified by information received by the seller from its service provider if the system used to transport telecommunication signals is not the seller's, is located in this State.

(iv) Receipts from the sale of prepaid telecommunications service or prepaid mobile telecommunications service at retail are in this State if the purchaser obtains the prepaid card or similar means of conveyance at a location in this State. Receipts from recharging a prepaid telecommunications service or mobile telecommunications service is in this State if the purchaser's billing information indicates a location in this State.

(v) Receipts from the sale of private communication services are in this State as follows:

(a) 100% of receipts from charges imposed at each channel termination point in this State.

(b) 100% of receipts from charges for the total channel mileage between each channel termination point in this State.

(c) 50% of the total receipts from charges for service segments when those segments are between 2 customer channel termination points, 1 of which is located in this State and the other is located outside of this State, which segments are separately charged.

(d) The receipts from charges for service segments with a channel termination point located in this State and in two or more other states, and which segments are not separately billed, are in this State based on a percentage determined by dividing the number of customer channel termination points in this State by the total number of customer channel termination points.

(vi) Receipts from charges for ancillary services for telecommunications service sold to customers at retail are in this State if the customer's primary place of use of telecommunications services associated with those ancillary services is in this State. If the seller of those ancillary services cannot determine where the associated telecommunications are located, then the ancillary services shall be based on the location of the purchaser.

(vii) Receipts to access a carrier's network or from the sale of telecommunication services or ancillary services for resale are in this State as follows:

(a) 100% of the receipts from access fees attributable to intrastate telecommunications service that both originates and terminates in this State.

(b) 50% of the receipts from access fees attributable to interstate telecommunications service if the interstate call either originates or terminates in this State.

(c) 100% of the receipts from interstate end user access line charges, if the customer's service address is in this State. As used in this subdivision, "interstate end user access line charges" includes, but is not limited to, the surcharge approved by the federal communications commission and levied pursuant to 47 CFR 69.

(d) Gross receipts from sales of telecommunication services or from ancillary services for telecommunications services sold to other telecommunication service providers for resale shall be sourced to this State using the apportionment concepts used for non-resale receipts of telecommunications services if the information is readily available to make that determination.

If the information is not readily available, then the taxpayer may use any other reasonable and consistent method.

(B-7) For taxable years ending on or after December 31, 2008, receipts from the sale of broadcasting services are in this State if the broadcasting services are received in this State. For purposes of this paragraph (B-7), the following terms have the following meanings:

"Advertising revenue" means consideration received by the taxpayer in exchange for broadcasting services or allowing the broadcasting of commercials or announcements in connection with the broadcasting of film or radio programming, from sponsorships of the programming, or from product placements in the programming.

"Audience factor" means the ratio that the audience or subscribers located in this State of a station, a network, or a cable system bears to the total audience or total subscribers for that station, network, or cable system. The audience factor for film or radio programming shall be determined by reference to the books and records of the taxpayer or by reference to published rating statistics provided the method used by the taxpayer is consistently used from year to year for this purpose and fairly represents the taxpayer's activity in this State.

"Broadcast" or "broadcasting" or "broadcasting services" means the transmission or provision of film or radio programming, whether through the public airwaves, by cable, by direct or indirect satellite transmission, or by any other means of communication, either through a station, a network, or a cable system.

"Film" or "film programming" means the broadcast on television of any and all performances, events, or productions, including but not limited to news, sporting events, plays, stories, or other literary, commercial, educational, or artistic works, either live or through the use of video tape, disc, or any other type of format or medium. Each episode of a series of films produced for television shall constitute separate "film" notwithstanding that the series relates to the same principal subject and is produced during one or more tax periods.

"Radio" or "radio programming" means the broadcast on radio of any and all performances, events, or productions, including but not limited to news, sporting events, plays, stories, or other literary, commercial, educational, or artistic works, either live or through the use of an audio tape, disc, or any other format or medium. Each episode in a series of radio programming produced for radio broadcast shall constitute a separate "radio programming" notwithstanding that the series relates to the same principal subject and is produced during one or more tax periods.

(i) In the case of advertising revenue from broadcasting, the customer is the advertiser and the service is received in this State if the commercial domicile of the advertiser is in this State.

(ii) In the case where film or radio programming is broadcast by a station, a network, or a cable system for a fee or other remuneration received from the recipient of the broadcast, the portion of the service that is received in this State is measured by the portion of the recipients of the broadcast located in this State. Accordingly, the fee or other remuneration for such service that is included in the Illinois numerator of the sales factor is the total of those fees or other remuneration received from recipients in Illinois. For purposes of this paragraph, a taxpayer may determine the location of the recipients of its broadcast using the address of the recipient shown in its contracts with the recipient or using the billing address of the recipient in the taxpayer's records.

(iii) In the case where film or radio programming is broadcast by a station, a network, or a cable system for a fee or other remuneration from the person providing the programming, the portion of the broadcast service that is received by such station, network, or cable system in this State is measured by the portion of recipients of the broadcast located in this State. Accordingly, the amount of revenue related to such an arrangement that is included in the Illinois numerator of the sales factor is the total fee or other total remuneration from the person providing the programming related to that broadcast multiplied by the Illinois audience factor for that broadcast.

(iv) In the case where film or radio programming is provided by a taxpayer that is a network or station to a customer for broadcast in exchange for a fee or other remuneration from that customer the broadcasting service is received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. Accordingly, in such a case the revenue derived by the taxpayer that is included in the taxpayer's Illinois numerator of the sales factor is the revenue from such customers who receive the broadcasting service in Illinois.

(v) In the case where film or radio programming is provided by a taxpayer that

is not a network or station to another person for broadcasting in exchange for a fee or other remuneration from that person, the broadcasting service is received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. Accordingly, in such a case the revenue derived by the taxpayer that is included in the taxpayer's Illinois numerator of the sales factor is the revenue from such customers who receive the broadcasting service in Illinois.

(B-8) Gross receipts from winnings under the Illinois Lottery Law from the assignment of a prize under Section 13.1 of the Illinois Lottery Law are received in this State. This paragraph (B-8) applies only to taxable years ending on or after December 31, 2013.

(B-9) For taxable years ending on or after December 31, 2019, gross receipts from winnings from pari-mutuel wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975 or from winnings from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act are in this State.

(C) For taxable years ending before December 31, 2008, sales, other than sales governed by paragraphs (B), (B-1), (B-2), and (B-8) are in this State if:

- (i) The income-producing activity is performed in this State; or
- (ii) The income-producing activity is performed both within and without this State and a greater proportion of the income-producing activity is performed within this State than without this State, based on performance costs.

(C-5) For taxable years ending on or after December 31, 2008, sales, other than sales governed by paragraphs (B), (B-1), (B-2), (B-5), and (B-7), are in this State if any of the following criteria are met:

- (i) Sales from the sale or lease of real property are in this State if the property is located in this State.
- (ii) Sales from the lease or rental of tangible personal property are in this State if the property is located in this State during the rental period. Sales from the lease or rental of tangible personal property that is characteristically moving property, including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are in this State to the extent that the property is used in this State.
- (iii) In the case of interest, net gains (but not less than zero) and other items of income from intangible personal property, the sale is in this State if:
 - (a) in the case of a taxpayer who is a dealer in the item of intangible personal property within the meaning of Section 475 of the Internal Revenue Code, the income or gain is received from a customer in this State. For purposes of this subparagraph, a customer is in this State if the customer is an individual, trust or estate who is a resident of this State and, for all other customers, if the customer's commercial domicile is in this State. Unless the dealer has actual knowledge of the residence or commercial domicile of a customer during a taxable year, the customer shall be deemed to be a customer in this State if the billing address of the customer, as shown in the records of the dealer, is in this State; or
 - (b) in all other cases, if the income-producing activity of the taxpayer is performed in this State or, if the income-producing activity of the taxpayer is performed both within and without this State, if a greater proportion of the income-producing activity of the taxpayer is performed within this State than in any other state, based on performance costs.
- (iv) Sales of services are in this State if the services are received in this State.

For the purposes of this section, gross receipts from the performance of services provided to a corporation, partnership, or trust may only be attributed to a state where that corporation, partnership, or trust has a fixed place of business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust receiving the service does not have a fixed place of business, the services shall be deemed to be received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the services shall be deemed to be received at the office of the customer to which the services are billed. If the taxpayer is not taxable in the state in which the services are received, the sale must be excluded from both the numerator and the denominator of the sales factor. The Department shall adopt rules prescribing where specific types of service are received, including, but not limited to, publishing, and utility service.

(D) For taxable years ending on or after December 31, 1995, the following items of income shall not be included in the numerator or denominator of the sales factor: dividends; amounts included under Section 78 of the Internal Revenue Code; and Subpart F income as defined in Section

952 of the Internal Revenue Code. No inference shall be drawn from the enactment of this paragraph (D) in construing this Section for taxable years ending before December 31, 1995.

(E) Paragraphs (B-1) and (B-2) shall apply to tax years ending on or after December 31, 1999, provided that a taxpayer may elect to apply the provisions of these paragraphs to prior tax years. Such election shall be made in the form and manner prescribed by the Department, shall be irrevocable, and shall apply to all tax years; provided that, if a taxpayer's Illinois income tax liability for any tax year, as assessed under Section 903 prior to January 1, 1999, was computed in a manner contrary to the provisions of paragraphs (B-1) or (B-2), no refund shall be payable to the taxpayer for that tax year to the extent such refund is the result of applying the provisions of paragraph (B-1) or (B-2) retroactively. In the case of a unitary business group, such election shall apply to all members of such group for every tax year such group is in existence, but shall not apply to any taxpayer for any period during which that taxpayer is not a member of such group.

(b) Insurance companies.

(1) In general. Except as otherwise provided by paragraph (2), business income of an insurance company for a taxable year shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the direct premiums written for insurance upon property or risk in this State, and the denominator of which is the direct premiums written for insurance upon property or risk everywhere. For purposes of this subsection, the term "direct premiums written" means the total amount of direct premiums written, assessments and annuity considerations as reported for the taxable year on the annual statement filed by the company with the Illinois Director of Insurance in the form approved by the National Convention of Insurance Commissioners or such other form as may be prescribed in lieu thereof.

(2) Reinsurance. If the principal source of premiums written by an insurance company consists of premiums for reinsurance accepted by it, the business income of such company shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the sum of (i) direct premiums written for insurance upon property or risk in this State, plus (ii) premiums written for reinsurance accepted in respect of property or risk in this State, and the denominator of which is the sum of (iii) direct premiums written for insurance upon property or risk everywhere, plus (iv) premiums written for reinsurance accepted in respect of property or risk everywhere. For purposes of this paragraph, premiums written for reinsurance accepted in respect of property or risk in this State, whether or not otherwise determinable, may, at the election of the company, be determined on the basis of the proportion which premiums written for reinsurance accepted from companies commercially domiciled in Illinois bears to premiums written for reinsurance accepted from all sources, or, alternatively, in the proportion which the sum of the direct premiums written for insurance upon property or risk in this State by each ceding company from which reinsurance is accepted bears to the sum of the total direct premiums written by each such ceding company for the taxable year. The election made by a company under this paragraph for its first taxable year ending on or after December 31, 2011, shall be binding for that company for that taxable year and for all subsequent taxable years, and may be altered only with the written permission of the Department, which shall not be unreasonably withheld.

(c) Financial organizations.

(1) In general. For taxable years ending before December 31, 2008, business income of a financial organization shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is its business income from sources within this State, and the denominator of which is its business income from all sources. For the purposes of this subsection, the business income of a financial organization from sources within this State is the sum of the amounts referred to in subparagraphs (A) through (E) following, but excluding the adjusted income of an international banking facility as determined in paragraph (2):

(A) Fees, commissions or other compensation for financial services rendered within this State;

(B) Gross profits from trading in stocks, bonds or other securities managed within this State;

(C) Dividends, and interest from Illinois customers, which are received within this State;

(D) Interest charged to customers at places of business maintained within this State for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts; and

(E) Any other gross income resulting from the operation as a financial organization within this State. In computing the amounts referred to in paragraphs (A) through (E) of this subsection, any amount received by a member of an affiliated group (determined under Section

1504(a) of the Internal Revenue Code but without reference to whether any such corporation is an "includible corporation" under Section 1504(b) of the Internal Revenue Code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

(2) International Banking Facility. For taxable years ending before December 31, 2008:

(A) Adjusted Income. The adjusted income of an international banking facility is its income reduced by the amount of the floor amount.

(B) Floor Amount. The floor amount shall be the amount, if any, determined by multiplying the income of the international banking facility by a fraction, not greater than one, which is determined as follows:

(i) The numerator shall be:

The average aggregate, determined on a quarterly basis, of the financial organization's loans to banks in foreign countries, to foreign domiciled borrowers (except where secured primarily by real estate) and to foreign governments and other foreign official institutions, as reported for its branches, agencies and offices within the state on its "Consolidated Report of Condition", Schedule A, Lines 2.c., 5.b., and 7.a., which was filed with the Federal Deposit Insurance Corporation and other regulatory authorities, for the year 1980, minus

The average aggregate, determined on a quarterly basis, of such loans (other than loans of an international banking facility), as reported by the financial institution for its branches, agencies and offices within the state, on the corresponding Schedule and lines of the Consolidated Report of Condition for the current taxable year, provided, however, that in no case shall the amount determined in this clause (the subtrahend) exceed the amount determined in the preceding clause (the minuend); and

(ii) the denominator shall be the average aggregate, determined on a quarterly basis, of the international banking facility's loans to banks in foreign countries, to foreign domiciled borrowers (except where secured primarily by real estate) and to foreign governments and other foreign official institutions, which were recorded in its financial accounts for the current taxable year.

(C) Change to Consolidated Report of Condition and in Qualification. In the event the Consolidated Report of Condition which is filed with the Federal Deposit Insurance Corporation and other regulatory authorities is altered so that the information required for determining the floor amount is not found on Schedule A, lines 2.c., 5.b. and 7.a., the financial institution shall notify the Department and the Department may, by regulations or otherwise, prescribe or authorize the use of an alternative source for such information. The financial institution shall also notify the Department should its international banking facility fail to qualify as such, in whole or in part, or should there be any amendment or change to the Consolidated Report of Condition, as originally filed, to the extent such amendment or change alters the information used in determining the floor amount.

(3) For taxable years ending on or after December 31, 2008, the business income of a financial organization shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is its gross receipts from sources in this State or otherwise attributable to this State's marketplace and the denominator of which is its gross receipts everywhere during the taxable year. "Gross receipts" for purposes of this subparagraph (3) means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the financial organization's trade or business. The following examples are illustrative:

(i) Receipts from the lease or rental of real or tangible personal property are in this State if the property is located in this State during the rental period. Receipts from the lease or rental of tangible personal property that is characteristically moving property, including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are from sources in this State to the extent that the property is used in this State.

(ii) Interest income, commissions, fees, gains on disposition, and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property are from sources in this State if the security is located in this State.

(iii) Interest income, commissions, fees, gains on disposition, and other receipts from consumer loans that are not secured by real or tangible personal property are from sources in this State if the debtor is a resident of this State.

(iv) Interest income, commissions, fees, gains on disposition, and other receipts from commercial loans and installment obligations that are not secured by real or tangible personal property are from sources in this State if the proceeds of the loan are to be applied in this State. If it

cannot be determined where the funds are to be applied, the income and receipts are from sources in this State if the office of the borrower from which the loan was negotiated in the regular course of business is located in this State. If the location of this office cannot be determined, the income and receipts shall be excluded from the numerator and denominator of the sales factor.

(v) Interest income, fees, gains on disposition, service charges, merchant discount income, and other receipts from credit card receivables are from sources in this State if the card charges are regularly billed to a customer in this State.

(vi) Receipts from the performance of services, including, but not limited to, fiduciary, advisory, and brokerage services, are in this State if the services are received in this State within the meaning of subparagraph (a)(3)(C-5)(iv) of this Section.

(vii) Receipts from the issuance of travelers checks and money orders are from sources in this State if the checks and money orders are issued from a location within this State.

(viii) Receipts from investment assets and activities and trading assets and activities are included in the receipts factor as follows:

(1) Interest, dividends, net gains (but not less than zero) and other income from investment assets and activities from trading assets and activities shall be included in the receipts factor. Investment assets and activities and trading assets and activities include but are not limited to: investment securities; trading account assets; federal funds; securities purchased and sold under agreements to resell or repurchase; options; futures contracts; forward contracts; notional principal contracts such as swaps; equities; and foreign currency transactions. With respect to the investment and trading assets and activities described in subparagraphs (A) and (B) of this paragraph, the receipts factor shall include the amounts described in such subparagraphs.

(A) The receipts factor shall include the amount by which interest from federal funds sold and securities purchased under resale agreements exceeds interest expense on federal funds purchased and securities sold under repurchase agreements.

(B) The receipts factor shall include the amount by which interest, dividends, gains and other income from trading assets and activities, including but not limited to assets and activities in the matched book, in the arbitrage book, and foreign currency transactions, exceed amounts paid in lieu of interest, amounts paid in lieu of dividends, and losses from such assets and activities.

(2) The numerator of the receipts factor includes interest, dividends, net gains (but not less than zero), and other income from investment assets and activities and from trading assets and activities described in paragraph (1) of this subsection that are attributable to this State.

(A) The amount of interest, dividends, net gains (but not less than zero), and other income from investment assets and activities in the investment account to be attributed to this State and included in the numerator is determined by multiplying all such income from such assets and activities by a fraction, the numerator of which is the gross income from such assets and activities which are properly assigned to a fixed place of business of the taxpayer within this State and the denominator of which is the gross income from all such assets and activities.

(B) The amount of interest from federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements attributable to this State and included in the numerator is determined by multiplying the amount described in subparagraph (A) of paragraph (1) of this subsection from such funds and such securities by a fraction, the numerator of which is the gross income from such funds and such securities which are properly assigned to a fixed place of business of the taxpayer within this State and the denominator of which is the gross income from all such funds and such securities.

(C) The amount of interest, dividends, gains, and other income from trading assets and activities, including but not limited to assets and activities in the matched book, in the arbitrage book and foreign currency transactions (but excluding amounts described in subparagraphs (A) or (B) of this paragraph), attributable to this State and included in the numerator is determined by multiplying the amount described in subparagraph (B) of paragraph (1) of this subsection by a fraction, the numerator of which is the gross income from such trading assets and activities which are properly assigned to a fixed place of business of the taxpayer within this State and the denominator of which is the gross income from all such assets and activities.

(D) Properly assigned, for purposes of this paragraph (2) of this subsection, means the investment or trading asset or activity is assigned to the fixed place of business with which it has a preponderance of substantive contacts. An investment or trading

asset or activity assigned by the taxpayer to a fixed place of business without the State shall be presumed to have been properly assigned if:

- (i) the taxpayer has assigned, in the regular course of its business, such asset or activity on its records to a fixed place of business consistent with federal or state regulatory requirements;
- (ii) such assignment on its records is based upon substantive contacts of the asset or activity to such fixed place of business; and
- (iii) the taxpayer uses such records reflecting assignment of such assets or activities for the filing of all state and local tax returns for which an assignment of such assets or activities to a fixed place of business is required.

(E) The presumption of proper assignment of an investment or trading asset or activity provided in subparagraph (D) of paragraph (2) of this subsection may be rebutted upon a showing by the Department, supported by a preponderance of the evidence, that the preponderance of substantive contacts regarding such asset or activity did not occur at the fixed place of business to which it was assigned on the taxpayer's records. If the fixed place of business that has a preponderance of substantive contacts cannot be determined for an investment or trading asset or activity to which the presumption in subparagraph (D) of paragraph (2) of this subsection does not apply or with respect to which that presumption has been rebutted, that asset or activity is properly assigned to the state in which the taxpayer's commercial domicile is located. For purposes of this subparagraph (E), it shall be presumed, subject to rebuttal, that taxpayer's commercial domicile is in the state of the United States or the District of Columbia to which the greatest number of employees are regularly connected with the management of the investment or trading income or out of which they are working, irrespective of where the services of such employees are performed, as of the last day of the taxable year.

(4) (Blank).

(5) (Blank).

(c-1) Federally regulated exchanges. For taxable years ending on or after December 31, 2012, business income of a federally regulated exchange shall, at the option of the federally regulated exchange, be apportioned to this State by multiplying such income by a fraction, the numerator of which is its business income from sources within this State, and the denominator of which is its business income from all sources. For purposes of this subsection, the business income within this State of a federally regulated exchange is the sum of the following:

(1) Receipts attributable to transactions executed on a physical trading floor if that physical trading floor is located in this State.

(2) Receipts attributable to all other matching, execution, or clearing transactions, including without limitation receipts from the provision of matching, execution, or clearing services to another entity, multiplied by (i) for taxable years ending on or after December 31, 2012 but before December 31, 2013, 63.77%; and (ii) for taxable years ending on or after December 31, 2013, 27.54%.

(3) All other receipts not governed by subparagraphs (1) or (2) of this subsection (c-1), to the extent the receipts would be characterized as "sales in this State" under item (3) of subsection (a) of this Section.

"Federally regulated exchange" means (i) a "registered entity" within the meaning of 7 U.S.C. Section 1a(40)(A), (B), or (C), (ii) an "exchange" or "clearing agency" within the meaning of 15 U.S.C. Section 78c (a)(1) or (23), (iii) any such entities regulated under any successor regulatory structure to the foregoing, and (iv) all taxpayers who are members of the same unitary business group as a federally regulated exchange, determined without regard to the prohibition in Section 1501(a)(27) of this Act against including in a unitary business group taxpayers who are ordinarily required to apportion business income under different subsections of this Section; provided that this subparagraph (iv) shall apply only if 50% or more of the business receipts of the unitary business group determined by application of this subparagraph (iv) for the taxable year are attributable to the matching, execution, or clearing of transactions conducted by an entity described in subparagraph (i), (ii), or (iii) of this paragraph.

In no event shall the Illinois apportionment percentage computed in accordance with this subsection (c-1) for any taxpayer for any tax year be less than the Illinois apportionment percentage computed under this subsection (c-1) for that taxpayer for the first full tax year ending on or after December 31, 2013 for which this subsection (c-1) applied to the taxpayer.

(d) Transportation services. For taxable years ending before December 31, 2008, business income derived from furnishing transportation services shall be apportioned to this State in accordance with paragraphs (1) and (2):

(1) Such business income (other than that derived from transportation by pipeline) shall

be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For purposes of this paragraph, a revenue mile is the transportation of 1 passenger or 1 net ton of freight the distance of 1 mile for a consideration. Where a person is engaged in the transportation of both passengers and freight, the fraction above referred to shall be determined by means of an average of the passenger revenue mile fraction and the freight revenue mile fraction, weighted to reflect the person's

(A) relative railway operating income from total passenger and total freight service, as reported to the Interstate Commerce Commission, in the case of transportation by railroad, and

(B) relative gross receipts from passenger and freight transportation, in case of transportation other than by railroad.

(2) Such business income derived from transportation by pipeline shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For the purposes of this paragraph, a revenue mile is the transportation by pipeline of 1 barrel of oil, 1,000 cubic feet of gas, or of any specified quantity of any other substance, the distance of 1 mile for a consideration.

(3) For taxable years ending on or after December 31, 2008, business income derived from providing transportation services other than airline services shall be apportioned to this State by using a fraction, (a) the numerator of which shall be (i) all receipts from any movement or shipment of people, goods, mail, oil, gas, or any other substance (other than by airline) that both originates and terminates in this State, plus (ii) that portion of the person's gross receipts from movements or shipments of people, goods, mail, oil, gas, or any other substance (other than by airline) that originates in one state or jurisdiction and terminates in another state or jurisdiction, that is determined by the ratio that the miles traveled in this State bears to total miles everywhere and (b) the denominator of which shall be all revenue derived from the movement or shipment of people, goods, mail, oil, gas, or any other substance (other than by airline). Where a taxpayer is engaged in the transportation of both passengers and freight, the fraction above referred to shall first be determined separately for passenger miles and freight miles. Then an average of the passenger miles fraction and the freight miles fraction shall be weighted to reflect the taxpayer's:

(A) relative railway operating income from total passenger and total freight

service, as reported to the Surface Transportation Board, in the case of transportation by railroad; and

(B) relative gross receipts from passenger and freight transportation, in case of transportation other than by railroad.

(4) For taxable years ending on or after December 31, 2008, business income derived from furnishing airline transportation services shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For purposes of this paragraph, a revenue mile is the transportation of one passenger or one net ton of freight the distance of one mile for a consideration. If a person is engaged in the transportation of both passengers and freight, the fraction above referred to shall be determined by means of an average of the passenger revenue mile fraction and the freight revenue mile fraction, weighted to reflect the person's relative gross receipts from passenger and freight airline transportation.

(e) Combined apportionment. Where 2 or more persons are engaged in a unitary business as described in subsection (a)(27) of Section 1501, a part of which is conducted in this State by one or more members of the group, the business income attributable to this State by any such member or members shall be apportioned by means of the combined apportionment method.

(f) Alternative allocation. If the allocation and apportionment provisions of subsections (a) through (e) and of subsection (h) do not, for taxable years ending before December 31, 2008, fairly represent the extent of a person's business activity in this State, or, for taxable years ending on or after December 31, 2008, fairly represent the market for the person's goods, services, or other sources of business income, the person may petition for, or the Director may, without a petition, permit or require, in respect of all or any part of the person's business activity, if reasonable:

(1) Separate accounting;

(2) The exclusion of any one or more factors;

(3) The inclusion of one or more additional factors which will fairly represent the person's business activities or market in this State; or

(4) The employment of any other method to effectuate an equitable allocation and

apportionment of the person's business income.

(g) Cross reference. For allocation of business income by residents, see Section 301(a).

(h) For tax years ending on or after December 31, 1998, the apportionment factor of persons who apportion their business income to this State under subsection (a) shall be equal to:

- (1) for tax years ending on or after December 31, 1998 and before December 31, 1999, 16 2/3% of the property factor plus 16 2/3% of the payroll factor plus 66 2/3% of the sales factor;
- (2) for tax years ending on or after December 31, 1999 and before December 31, 2000, 8 1/3% of the property factor plus 8 1/3% of the payroll factor plus 83 1/3% of the sales factor;
- (3) for tax years ending on or after December 31, 2000, the sales factor.

If, in any tax year ending on or after December 31, 1998 and before December 31, 2000, the denominator of the payroll, property, or sales factor is zero, the apportionment factor computed in paragraph (1) or (2) of this subsection for that year shall be divided by an amount equal to 100% minus the percentage weight given to each factor whose denominator is equal to zero.

(Source: P.A. 99-642, eff. 7-28-16; 100-201, eff. 8-18-17.)

(35 ILCS 5/710) (from Ch. 120, par. 7-710)

Sec. 710. Withholding from lottery winnings.

(a) In general.

(1) Any person making a payment to a resident or nonresident of winnings under the Illinois Lottery Law and not required to withhold Illinois income tax from such payment under Subsection (b) of Section 701 of this Act because those winnings are not subject to Federal income tax withholding, must withhold Illinois income tax from such payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201, provided that withholding is not required if such payment of winnings is less than \$1,000.

(2) In the case of an assignment of a lottery prize under Section 13.1 of the Illinois Lottery Law, any person making a payment of the purchase price after December 31, 2013, shall withhold from the amount of each payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201.

(3) Any person making a payment after December 31, 2019 to a resident or nonresident of winnings from pari-mutuel wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975 or from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act must withhold Illinois income tax from such payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201, provided that the person making the payment is required to withhold under Section 3402(q) of the Internal Revenue Code.

(b) Credit for taxes withheld. Any amount withheld under Subsection (a) shall be a credit against the Illinois income tax liability of the person to whom the payment of winnings was made for the taxable year in which that person incurred an Illinois income tax liability with respect to those winnings.

(Source: P.A. 98-496, eff. 1-1-14.)

Section 35-40. The Joliet Regional Port District Act is amended by changing Section 5.1 as follows:

(70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

Sec. 5.1. Riverboat and casino gambling. Notwithstanding any other provision of this Act, the District may not regulate the operation, conduct, or navigation of any riverboat gambling casino licensed under the Illinois Riverboat Gambling Act, and the District may not license, tax, or otherwise levy any assessment of any kind on any riverboat gambling casino licensed under the Illinois Riverboat Gambling Act. The General Assembly declares that the powers to regulate the operation, conduct, and navigation of riverboat gambling casinos and to license, tax, and levy assessments upon riverboat gambling casinos are exclusive powers of the State of Illinois and the Illinois Gaming Board as provided in the Illinois Riverboat Gambling Act.

(Source: P.A. 87-1175.)

Section 35-45. The Consumer Installment Loan Act is amended by changing Section 12.5 as follows:

(205 ILCS 670/12.5)

Sec. 12.5. Limited purpose branch.

(a) Upon the written approval of the Director, a licensee may maintain a limited purpose branch for the sole purpose of making loans as permitted by this Act. A limited purpose branch may include an automatic loan machine. No other activity shall be conducted at the site, including but not limited to, accepting payments, servicing the accounts, or collections.

(b) The licensee must submit an application for a limited purpose branch to the Director on forms prescribed by the Director with an application fee of \$300. The approval for the limited purpose branch must be renewed concurrently with the renewal of the licensee's license along with a renewal fee of \$300 for the limited purpose branch.

(c) The books, accounts, records, and files of the limited purpose branch's transactions shall be maintained at the licensee's licensed location. The licensee shall notify the Director of the licensed location at which the books, accounts, records, and files shall be maintained.

(d) The licensee shall prominently display at the limited purpose branch the address and telephone number of the licensee's licensed location.

(e) No other business shall be conducted at the site of the limited purpose branch unless authorized by the Director.

(f) The Director shall make and enforce reasonable rules for the conduct of a limited purpose branch.

(g) A limited purpose branch may not be located within 1,000 feet of a facility operated by an inter-track wagering licensee or an organization licensee subject to the Illinois Horse Racing Act of 1975, on a riverboat or in a casino subject to the ~~Illinois Riverboat~~ Gambling Act, or within 1,000 feet of the location at which the riverboat docks or within 1,000 feet of a casino.

(Source: P.A. 90-437, eff. 1-1-98.)

Section 35-50. The Illinois Horse Racing Act of 1975 is amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19, 20, 21, 24, 25, 26, 26.8, 26.9, 27, 29, 30, 30.5, 31, 31.1, 32.1, 36, 40, and 54.75 and by adding Sections 3.32, 3.33, 3.34, 3.35, 19.5, 34.3, and 56 as follows:

(230 ILCS 5/1.2)

Sec. 1.2. Legislative intent. This Act is intended to benefit the people of the State of Illinois by encouraging the breeding and production of race horses, assisting economic development and promoting Illinois tourism. The General Assembly finds and declares it to be the public policy of the State of Illinois to:

(a) support and enhance Illinois' horse racing industry, which is a significant component within the agribusiness industry;

(b) ensure that Illinois' horse racing industry remains competitive with neighboring states;

(c) stimulate growth within Illinois' horse racing industry, thereby encouraging new investment and development to produce additional tax revenues and to create additional jobs;

(d) promote the further growth of tourism;

(e) encourage the breeding of thoroughbred and standardbred horses in this State; and

(f) ensure that public confidence and trust in the credibility and integrity of racing operations and the regulatory process is maintained.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

Sec. 3.11. "Organization Licensee" means any person receiving an organization license from the Board to conduct a race meeting or meetings. With respect only to organization gaming, "organization licensee" includes the authorization for an organization gaming license under subsection (a) of Section 56 of this Act.

(Source: P.A. 79-1185.)

(230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel system of wagering" means a form of wagering on the outcome of horse races in which wagers are made in various denominations on a horse or horses and all wagers for each race are pooled and held by a licensee for distribution in a manner approved by the Board. "Pari-mutuel system of wagering" shall not include wagering on historic races. Wagers may be placed via any method or at any location authorized under this Act.

(Source: P.A. 96-762, eff. 8-25-09.)

(230 ILCS 5/3.32 new)

Sec. 3.32. Gross receipts. "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, or electronic cards by riverboat or casino patrons or organization gaming patrons.

(230 ILCS 5/3.33 new)

Sec. 3.33. Adjusted gross receipts. "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.

(230 ILCS 5/3.34 new)

Sec. 3.34. Organization gaming facility. "Organization gaming facility" means that portion of an organization licensee's racetrack facilities at which gaming authorized under Section 7.7 of the Illinois Gambling Act is conducted.

(230 ILCS 5/3.35 new)

Sec. 3.35. Organization gaming license. "Organization gaming license" means a license issued by the Illinois Gaming Board under Section 7.7 of the Illinois Gambling Act authorizing gaming pursuant to that Section at an organization gaming facility.

(230 ILCS 5/6) (from Ch. 8, par. 37-6)

Sec. 6. Restrictions on Board members.

(a) No person shall be appointed a member of the Board or continue to be a member of the Board if the person or any member of their immediate family is a member of the Board of Directors, employee, or financially interested in any of the following: (i) any licensee or other person who has applied for racing dates to the Board, or the operations thereof including, but not limited to, concessions, data processing, track maintenance, track security, and pari-mutuel operations, located, scheduled or doing business within the State of Illinois, (ii) any race horse competing at a meeting under the Board's jurisdiction, or (iii) any licensee under the Illinois Gambling Act. No person shall be appointed a member of the Board or continue to be a member of the Board who is (or any member of whose family is) a member of the Board of Directors of, or who is a person financially interested in, any licensee or other person who has applied for racing dates to the Board, or the operations thereof including, but not limited to, concessions, data processing, track maintenance, track security and pari-mutuel operations, located, scheduled or doing business within the State of Illinois, or in any race horse competing at a meeting under the Board's jurisdiction. No Board member shall hold any other public office for which he shall receive compensation other than necessary travel or other incidental expenses.

(b) No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.

(c) No member of the Board or employee shall engage in any political activity.

For the purposes of this subsection (c):

"Political" means any activity in support of or in connection with any campaign for State or local elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.

"Political organization" means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or county clerk under Section 9-3 of the Election Code, but only with regard to those activities that require filing with the State Board of Elections or county clerk.

(d) Board members and employees may not engage in communications or any activity that may cause or have the appearance of causing a conflict of interest. A conflict of interest exists if a situation influences or creates the appearance that it may influence judgment or performance of regulatory duties and responsibilities. This prohibition shall extend to any act identified by Board action that, in the judgment of the Board, could represent the potential for or the appearance of a conflict of interest.

(e) Board members and employees may not accept any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, limited liability company, or entity doing business with the Board.

(f) A Board member or employee shall not use or attempt to use his or her official position to secure, or attempt to secure, any privilege, advantage, favor, or influence for himself or herself or others. No Board member or employee, within a period of one year immediately preceding nomination by the Governor or employment, shall have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee or a licensee under the Illinois Gambling Act. In addition, all Board members and employees are subject to the restrictions set forth in Section 5-45 of the State Officials and Employees Ethics Act.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/9) (from Ch. 8, par. 37-9)

Sec. 9. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(a) The Board is vested with jurisdiction and supervision over all race meetings in this State, over all licensees doing business in this State, over all occupation licensees, and over all persons on the facilities of any licensee. Such jurisdiction shall include the power to issue licenses to the Illinois Department of Agriculture authorizing the pari-mutuel system of wagering on harness and Quarter Horse races held (1) at the Illinois State Fair in Sangamon County, and (2) at the DuQuoin State Fair in Pery County. The jurisdiction of the Board shall also include the power to issue licenses to county fairs which are eligible to

receive funds pursuant to the Agricultural Fair Act, as now or hereafter amended, or their agents, authorizing the pari-mutuel system of wagering on horse races conducted at the county fairs receiving such licenses. Such licenses shall be governed by subsection (n) of this Section.

Upon application, the Board shall issue a license to the Illinois Department of Agriculture to conduct harness and Quarter Horse races at the Illinois State Fair and at the DuQuoin State Fairgrounds during the scheduled dates of each fair. The Board shall not require and the Department of Agriculture shall be exempt from the requirements of Sections 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5), (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24 and 25. The Board and the Department of Agriculture may extend any or all of these exemptions to any contractor or agent engaged by the Department of Agriculture to conduct its race meetings when the Board determines that this would best serve the public interest and the interest of horse racing.

Notwithstanding any provision of law to the contrary, it shall be lawful for any licensee to operate pari-mutuel wagering or contract with the Department of Agriculture to operate pari-mutuel wagering at the DuQuoin State Fairgrounds or for the Department to enter into contracts with a licensee, employ its owners, employees or agents and employ such other occupation licensees as the Department deems necessary in connection with race meetings and wagerings.

(b) The Board is vested with the full power to promulgate reasonable rules and regulations for the purpose of administering the provisions of this Act and to prescribe reasonable rules, regulations and conditions under which all horse race meetings or wagering in the State shall be conducted. Such reasonable rules and regulations are to provide for the prevention of practices detrimental to the public interest and to promote the best interests of horse racing and to impose penalties for violations thereof.

(c) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities and other places of business of any licensee to determine whether there has been compliance with the provisions of this Act and its rules and regulations.

(d) The Board, and any person or persons to whom it delegates this power, is vested with the authority to investigate alleged violations of the provisions of this Act, its reasonable rules and regulations, orders and final decisions; the Board shall take appropriate disciplinary action against any licensee or occupation licensee for violation thereof or institute appropriate legal action for the enforcement thereof.

(e) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any race meeting or the facilities of any licensee, or any part thereof, any occupation licensee or any other individual whose conduct or reputation is such that his presence on those facilities may, in the opinion of the Board, call into question the honesty and integrity of horse racing or wagering or interfere with the orderly conduct of horse racing or wagering; provided, however, that no person shall be excluded or ejected from the facilities of any licensee solely on the grounds of race, color, creed, national origin, ancestry, or sex. The power to eject or exclude an occupation licensee or other individual may be exercised for just cause by the licensee or the Board, subject to subsequent hearing by the Board as to the propriety of said exclusion.

(f) The Board is vested with the power to acquire, establish, maintain and operate (or provide by contract to maintain and operate) testing laboratories and related facilities, for the purpose of conducting saliva, blood, urine and other tests on the horses run or to be run in any horse race meeting, including races run at county fairs, and to purchase all equipment and supplies deemed necessary or desirable in connection with any such testing laboratories and related facilities and all such tests.

(g) The Board may require that the records, including financial or other statements of any licensee or any person affiliated with the licensee who is involved directly or indirectly in the activities of any licensee as regulated under this Act to the extent that those financial or other statements relate to such activities be kept in such manner as prescribed by the Board, and that Board employees shall have access to those records during reasonable business hours. Within 120 days of the end of its fiscal year, each licensee shall transmit to the Board an audit of the financial transactions and condition of the licensee's total operations. All audits shall be conducted by certified public accountants. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Accounting Act. The compensation for each certified public accountant shall be paid directly by the licensee to the certified public accountant. A licensee shall also submit any other financial or related information the Board deems necessary to effectively administer this Act and all rules, regulations, and final decisions promulgated under this Act.

(h) The Board shall name and appoint in the manner provided by the rules and regulations of the Board: an Executive Director; a State director of mutuels; State veterinarians and representatives to take saliva, blood, urine and other tests on horses; licensing personnel; revenue inspectors; and State seasonal employees (excluding admission ticket sellers and mutuel clerks). All of those named and appointed as provided in this subsection shall serve during the pleasure of the Board; their compensation shall be determined by the Board and be paid in the same manner as other employees of the Board under this Act.

(i) The Board shall require that there shall be 3 stewards at each horse race meeting, at least 2 of whom shall be named and appointed by the Board. Stewards appointed or approved by the Board, while performing duties required by this Act or by the Board, shall be entitled to the same rights and immunities as granted to Board members and Board employees in Section 10 of this Act.

(j) The Board may discharge any Board employee who fails or refuses for any reason to comply with the rules and regulations of the Board, or who, in the opinion of the Board, is guilty of fraud, dishonesty or who is proven to be incompetent. The Board shall have no right or power to determine who shall be officers, directors or employees of any licensee, or their salaries except the Board may, by rule, require that all or any officials or employees in charge of or whose duties relate to the actual running of races be approved by the Board.

(k) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this Act and any rules or regulations promulgated in accordance with this Act.

(l) The Board is vested with the power to impose civil penalties of up to \$5,000 against an individual and up to \$10,000 against a licensee for each violation of any provision of this Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to horse racing or wagering. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the power granted to the Board pursuant to this subsection (l) shall authorize the Board to impose penalties of up to \$10,000 against an individual and up to \$25,000 against a licensee. All such civil penalties shall be deposited into the Horse Racing Fund.

(m) The Board is vested with the power to prescribe a form to be used by licensees as an application for employment for employees of each licensee.

(n) The Board shall have the power to issue a license to any county fair, or its agent, authorizing the conduct of the pari-mutuel system of wagering. The Board is vested with the full power to promulgate reasonable rules, regulations and conditions under which all horse race meetings licensed pursuant to this subsection shall be held and conducted, including rules, regulations and conditions for the conduct of the pari-mutuel system of wagering. The rules, regulations and conditions shall provide for the prevention of practices detrimental to the public interest and for the best interests of horse racing, and shall prescribe penalties for violations thereof. Any authority granted the Board under this Act shall extend to its jurisdiction and supervision over county fairs, or their agents, licensed pursuant to this subsection. However, the Board may waive any provision of this Act or its rules or regulations which would otherwise apply to such county fairs or their agents.

(o) Whenever the Board is authorized or required by law to consider some aspect of criminal history record information for the purpose of carrying out its statutory powers and responsibilities, then, upon request and payment of fees in conformance with the requirements of Section 2605-400 of the Department of State Police Law (20 ILCS 2605/2605-400), the Department of State Police is authorized to furnish, pursuant to positive identification, such information contained in State files as is necessary to fulfill the request.

(p) To insure the convenience, comfort, and wagering accessibility of race track patrons, to provide for the maximization of State revenue, and to generate increases in purse allotments to the horsemen, the Board shall require any licensee to staff the pari-mutuel department with adequate personnel. (Source: P.A. 97-1060, eff. 8-24-12.)

(230 ILCS 5/15) (from Ch. 8, par. 37-15)

Sec. 15. (a) The Board shall, in its discretion, issue occupation licenses to horse owners, trainers, harness drivers, jockeys, agents, apprentices, grooms, stable foremen, exercise persons, veterinarians, valets, blacksmiths, concessionaires and others designated by the Board whose work, in whole or in part, is conducted upon facilities within the State. Such occupation licenses will be obtained prior to the persons engaging in their vocation upon such facilities. The Board shall not license pari-mutuel clerks, parking attendants, security guards and employees of concessionaires. No occupation license shall be required of any person who works at facilities within this State as a pari-mutuel clerk, parking attendant, security guard or as an employee of a concessionaire. Concessionaires of the Illinois State Fair and DuQuoin State Fair and employees of the Illinois Department of Agriculture shall not be required to obtain an occupation license by the Board.

(b) Each application for an occupation license shall be on forms prescribed by the Board. Such license, when issued, shall be for the period ending December 31 of each year, except that the Board in its discretion may grant 3-year licenses. The application shall be accompanied by a fee of not more than \$25 per year or, in the case of 3-year occupation license applications, a fee of not more than \$60. Each applicant shall set forth in the application his full name and address, and if he had been issued prior occupation

licenses or has been licensed in any other state under any other name, such name, his age, whether or not a permit or license issued to him in any other state has been suspended or revoked and if so whether such suspension or revocation is in effect at the time of the application, and such other information as the Board may require. Fees for registration of stable names shall not exceed \$50.00. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the fee for registration of stable names shall not exceed \$150, and the application fee for an occupation license shall not exceed \$75, per year or, in the case of a 3-year occupation license application, the fee shall not exceed \$180.

(c) The Board may in its discretion refuse an occupation license to any person:

- (1) who has been convicted of a crime;
- (2) who is unqualified to perform the duties required of such applicant;
- (3) who fails to disclose or states falsely any information called for in the

application;

(4) who has been found guilty of a violation of this Act or of the rules and regulations of the Board; or

(5) whose license or permit has been suspended, revoked or denied for just cause in any other state.

(d) The Board may suspend or revoke any occupation license:

- (1) for violation of any of the provisions of this Act; or
- (2) for violation of any of the rules or regulations of the Board; or
- (3) for any cause which, if known to the Board, would have justified the Board in refusing to issue such occupation license; or
- (4) for any other just cause.

(e) Each applicant shall submit his or her fingerprints to the Department of State Police in the form and manner prescribed by the Department of State Police. These fingerprints shall be checked against the fingerprint records now and hereafter filed in the Department of State Police and Federal Bureau of Investigation criminal history records databases. The Department of State Police shall charge a fee for conducting the criminal history records check, which shall be deposited in the State Police Services Fund and shall not exceed the actual cost of the records check. The Department of State Police shall furnish, pursuant to positive identification, records of conviction to the Board. Each applicant for licensure shall submit with his occupation license application, on forms provided by the Board, 2 sets of his fingerprints. All such applicants shall appear in person at the location designated by the Board for the purpose of submitting such sets of fingerprints; however, with the prior approval of a State steward, an applicant may have such sets of fingerprints taken by an official law enforcement agency and submitted to the Board.

(f) The Board may, in its discretion, issue an occupation license without submission of fingerprints if an applicant has been duly licensed in another recognized racing jurisdiction after submitting fingerprints that were subjected to a Federal Bureau of Investigation criminal history background check in that jurisdiction.

(g) Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the Board may charge each applicant a reasonable nonrefundable fee to defray the costs associated with the background investigation conducted by the Board. This fee shall be exclusive of any other fee or fees charged in connection with an application for and, if applicable, the issuance of, an organization gaming license. If the costs of the investigation exceed the amount of the fee charged, the Board shall immediately notify the applicant of the additional amount owed, payment of which must be submitted to the Board within 7 days after such notification. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the Board in the course of its review or investigation of an applicant for a license or renewal under this Act shall be privileged, strictly confidential, and shall be used only for the purpose of evaluating an applicant for a license or a renewal. Such information, records, interviews, reports, statements, memoranda, or other data shall not be admissible as evidence, nor discoverable, in any action of any kind in any court or before any tribunal, board, agency, or person, except for any action deemed necessary by the Board.

(Source: P.A. 93-418, eff. 1-1-04.)

(230 ILCS 5/18) (from Ch. 8, par. 37-18)

Sec. 18. (a) Together with its application, each applicant for racing dates shall deliver to the Board a certified check or bank draft payable to the order of the Board for \$1,000. In the event the applicant applies for racing dates in 2 or 3 successive calendar years as provided in subsection (b) of Section 21, the fee shall be \$2,000. Filing fees shall not be refunded in the event the application is denied. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the application fee for racing dates imposed by this subsection (a)

shall be \$10,000 and the application fee for racing dates in 2 or 3 successive calendar years as provided in subsection (b) of Section 21 shall be \$20,000. All filing fees shall be deposited into the Horse Racing Fund.

(b) In addition to the filing fee ~~imposed by subsection (a) of \$1000~~ and the fees provided in subsection (j) of Section 20, each organization licensee shall pay a license fee of \$100 for each racing program on which its daily pari-mutuel handle is \$400,000 or more but less than \$700,000, and a license fee of \$200 for each racing program on which its daily pari-mutuel handle is \$700,000 or more. The additional fees required to be paid under this Section by this amendatory Act of 1982 shall be remitted by the organization licensee to the Illinois Racing Board with each day's graduated privilege tax or pari-mutuel tax and breakage as provided under Section 27. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the license fee imposed by this subsection (b) shall be \$200 for each racing program on which the organization licensee's daily pari-mutuel handle is \$100,000 or more, but less than \$400,000, and the license fee imposed by this subsection (b) shall be \$400 for each racing program on which the organization licensee's daily pari-mutuel handle is \$400,000 or more.

(c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois Municipal Code," ~~approved May 29, 1961, as now or hereafter amended,~~ shall not apply to any license under this Act.

(Source: P.A. 97-1060, eff. 8-24-12.)

(230 ILCS 5/19) (from Ch. 8, par. 37-19)

Sec. 19. (a) No organization license may be granted to conduct a horse race meeting:

(1) except as provided in subsection (c) of Section 21 of this Act, to any person at any place within 35 miles of any other place licensed by the Board to hold a race meeting on the same date during the same hours, the mileage measurement used in this subsection (a) shall be certified to the Board by the Bureau of Systems and Services in the Illinois Department of Transportation as the most commonly used public way of vehicular travel;

(2) to any person in default in the payment of any obligation or debt due the State under this Act, provided no applicant shall be deemed in default in the payment of any obligation or debt due to the State under this Act as long as there is pending a hearing of any kind relevant to such matter;

(3) to any person who has been convicted of the violation of any law of the United States or any State law which provided as all or part of its penalty imprisonment in any penal institution; to any person against whom there is pending a Federal or State criminal charge; to any person who is or has been connected with or engaged in the operation of any illegal business; to any person who does not enjoy a general reputation in his community of being an honest, upright, law-abiding person; provided that none of the matters set forth in this subparagraph (3) shall make any person ineligible to be granted an organization license if the Board determines, based on circumstances of any such case, that the granting of a license would not be detrimental to the interests of horse racing and of the public;

(4) to any person who does not at the time of application for the organization license own or have a contract or lease for the possession of a finished race track suitable for the type of racing intended to be held by the applicant and for the accommodation of the public.

~~(b) (Blank) Horse racing on Sunday shall be prohibited unless authorized by ordinance or referendum of the municipality in which a race track or any of its appurtenances or facilities are located, or utilized.~~

(c) If any person is ineligible to receive an organization license because of any of the matters set forth in subsection (a) (2) or subsection (a) (3) of this Section, any other or separate person that either (i) controls, directly or indirectly, such ineligible person or (ii) is controlled, directly or indirectly, by such ineligible person or by a person which controls, directly or indirectly, such ineligible person shall also be ineligible.

(Source: P.A. 88-495; 89-16, eff. 5-30-95.)

(230 ILCS 5/19.5 new)

Sec. 19.5. Standardbred racetrack in Cook County. Notwithstanding anything in this Act to the contrary, in addition to organization licenses issued by the Board on the effective date of this amendatory Act of the 101st General Assembly, the Board shall issue an organization license limited to standardbred racing to a racetrack located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or Worth. This additional organization license shall not be issued within a 35-mile radius of another organization license issued by the Board on the effective date of this amendatory Act of the 101st General Assembly, unless the person having operating control of such racetrack has given written consent to the organization licensee applicant, which consent must be filed with the Board at or prior to the time application is made. The organization license shall be granted upon application, and the licensee shall have all of the current and future rights of existing Illinois racetracks, including, but not limited to,

the ability to obtain an inter-track wagering license, the ability to obtain inter-track wagering location licenses, the ability to obtain an organization gaming license pursuant to the Illinois Gambling Act with 1,200 gaming positions, and the ability to offer Internet wagering on horse racing.

(230 ILCS 5/20) (from Ch. 8, par. 37-20)

Sec. 20. (a) Any person desiring to conduct a horse race meeting may apply to the Board for an organization license. The application shall be made on a form prescribed and furnished by the Board. The application shall specify:

- (1) the dates on which it intends to conduct the horse race meeting, which dates shall be provided under Section 21;
- (2) the hours of each racing day between which it intends to hold or conduct horse racing at such meeting;
- (3) the location where it proposes to conduct the meeting; and
- (4) any other information the Board may reasonably require.

(b) A separate application for an organization license shall be filed for each horse race meeting which such person proposes to hold. Any such application, if made by an individual, or by any individual as trustee, shall be signed and verified under oath by such individual. If the application is made by individuals, then it shall be signed and verified under oath by at least 2 of the individuals; if the application is made by or a partnership, it shall be signed and verified under oath by at least 2 of such individuals or members of such partnership as the case may be. If made by an association, a corporation, a corporate trustee, a limited liability company, or any other entity, it shall be signed by an authorized officer, a partner, a member, or a manager, as the case may be, of the entity the president and attested by the secretary or assistant secretary under the seal of such association, trust or corporation if it has a seal, and shall also be verified under oath by one of the signing officers.

(c) The application shall specify:

- (1) the name of the persons, association, trust, or corporation making such application; ~~and~~
 - (2) the principal post-office address of the applicant;
 - (3) if the applicant is a trustee, the names and addresses of the beneficiaries; if the applicant is a corporation, the names and post-office addresses of all officers, stockholders and directors; or if such stockholders hold stock as a nominee or fiduciary, the names and post-office addresses of the parties these persons, partnerships, corporations, or trusts who are the beneficial owners thereof or who are beneficially interested therein; and if the applicant is a partnership, the names and post-office addresses of all partners, general or limited; if the applicant is a limited liability company, the names and addresses of the manager and members; and if the applicant is any other entity, the names and addresses of all officers or other authorized persons of the entity corporation, the name of the state of its incorporation shall be specified.
- (d) The applicant shall execute and file with the Board a good faith affirmative action plan to recruit, train, and upgrade minorities in all classifications within the association.

(e) With such application there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$1,000. All applications for the issuance of an organization license shall be filed with the Board before August 1 of the year prior to the year for which application is made and shall be acted upon by the Board at a meeting to be held on such date as shall be fixed by the Board during the last 15 days of September of such prior year. At such meeting, the Board shall announce the award of the racing meets, live racing schedule, and designation of host track to the applicants and its approval or disapproval of each application. No announcement shall be considered binding until a formal order is executed by the Board, which shall be executed no later than October 15 of that prior year. Absent the agreement of the affected organization licensees, the Board shall not grant overlapping race meetings to 2 or more tracks that are within 100 miles of each other to conduct the thoroughbred racing.

(e-1) The Board shall award standardbred racing dates to organization licensees with an organization gaming license pursuant to the following schedule:

(1) For the first calendar year of operation of gambling games by an organization gaming licensee under this amendatory Act of the 101st General Assembly, when a single entity requests standardbred racing dates, the Board shall award no fewer than 100 days of racing. The 100-day requirement may be reduced to no fewer than 80 days if no dates are requested for the first 3 months of a calendar year. If more than one entity requests standardbred racing dates, the Board shall award no fewer than 140 days of racing between the applicants.

(2) For the second calendar year of operation of gambling games by an organization gaming licensee under this amendatory Act of the 101st General Assembly, when a single entity requests standardbred racing dates, the Board shall award no fewer than 100 days of racing. The 100-day requirement may be reduced to no fewer than 80 days if no dates are requested for the first 3 months of a calendar year. If more

than one entity requests standardbred racing dates, the Board shall award no fewer than 160 days of racing between the applicants.

(3) For the third calendar year of operation of gambling games by an organization gaming licensee under this amendatory Act of the 101st General Assembly, and each calendar year thereafter, when a single entity requests standardbred racing dates, the Board shall award no fewer than 120 days of racing. The 120-day requirement may be reduced to no fewer than 100 days if no dates are requested for the first 3 months of a calendar year. If more than one entity requests standardbred racing dates, the Board shall award no fewer than 200 days of racing between the applicants.

An organization licensee shall apply for racing dates pursuant to this subsection (e-1). In awarding racing dates under this subsection (e-1), the Board shall have the discretion to allocate those standardbred racing dates among these organization licensees.

(e-2) The Board shall award thoroughbred racing days to Cook County organization licensees pursuant to the following schedule:

(1) During the first year in which only one organization licensee is awarded an organization gaming license, the Board shall award no fewer than 110 days of racing.

During the second year in which only one organization licensee is awarded an organization gaming license, the Board shall award no fewer than 115 racing days.

During the third year and every year thereafter, in which only one organization licensee is awarded an organization gaming license, the Board shall award no fewer than 120 racing days.

(2) During the first year in which 2 organization licensees are awarded an organization gaming license, the Board shall award no fewer than 139 total racing days.

During the second year in which 2 organization licensees are awarded an organization gaming license, the Board shall award no fewer than 160 total racing days.

During the third year and every year thereafter in which 2 organization licensees are awarded an organization gaming license, the Board shall award no fewer than 174 total racing days.

A Cook County organization licensee shall apply for racing dates pursuant to this subsection (e-2). In awarding racing dates under this subsection (e-2), the Board shall have the discretion to allocate those thoroughbred racing dates among these Cook County organization licensees.

(e-3) In awarding racing dates for calendar year 2020 and thereafter in connection with a racetrack in Madison County, the Board shall award racing dates and such organization licensee shall run at least 700 thoroughbred races at the racetrack in Madison County each year.

Notwithstanding Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsection (e-4.5), for each calendar year for which an organization gaming licensee located in Madison County requests racing dates resulting in less than 700 live thoroughbred races at its racetrack facility, the organization gaming licensee may not conduct gaming pursuant to an organization gaming license issued under the Illinois Gambling Act for the calendar year of such requested live races.

(e-4) Notwithstanding the provisions of Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsections (e-3) and (e-4.5), for each calendar year for which an organization gaming licensee requests thoroughbred racing dates which results in a number of live races under its organization license that is less than the total number of live races which it conducted in 2017 at its racetrack facility, the organization gaming licensee may not conduct gaming pursuant to its organization gaming license for the calendar year of such requested live races.

(e-4.1) Notwithstanding the provisions of Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsections (e-3) and (e-4.5), for each calendar year for which an organization licensee requests racing dates for standardbred racing which results in a number of live races that is less than the total number of live races required in subsection (e-1), the organization gaming licensee may not conduct gaming pursuant to its organization gaming license for the calendar year of such requested live races.

(e-4.5) The Board shall award the minimum live racing guarantees contained in subsections (e-1), (e-2), and (e-3) to ensure that each organization licensee shall individually run a sufficient number of races per year to qualify for an organization gaming license under this Act. The General Assembly finds that the minimum live racing guarantees contained in subsections (e-1), (e-2), and (e-3) are in the best interest of the sport of horse racing, and that such guarantees may only be reduced in the calendar year in which they will be conducted in the limited circumstances described in this subsection. The Board may decrease the number of racing days without affecting an organization licensee's ability to conduct gaming pursuant to an organization gaming license issued under the Illinois Gambling Act only if the Board determines, after notice and hearing, that:

(i) a decrease is necessary to maintain a sufficient number of betting interests per race to ensure the integrity of racing;

(ii) there are unsafe track conditions due to weather or acts of God;

(iii) there is an agreement between an organization licensee and the breed association that is applicable to the involved live racing guarantee, such association representing either the largest number of thoroughbred owners and trainers or the largest number of standardbred owners, trainers and drivers who race horses at the involved organization licensee's racing meeting, so long as the agreement does not compromise the integrity of the sport of horse racing; or

(iv) the horse population or purse levels are insufficient to provide the number of racing opportunities otherwise required in this Act.

In decreasing the number of racing dates in accordance with this subsection, the Board shall hold a hearing and shall provide the public and all interested parties notice and an opportunity to be heard. The Board shall accept testimony from all interested parties, including any association representing owners, trainers, jockeys, or drivers who will be affected by the decrease in racing dates. The Board shall provide a written explanation of the reasons for the decrease and the Board's findings. The written explanation shall include a listing and content of all communication between any party and any Illinois Racing Board member or staff that does not take place at a public meeting of the Board.

(e-5) In reviewing an application for the purpose of granting an organization license consistent with the best interests of the public and the sport of horse racing, the Board shall consider:

(1) the character, reputation, experience, and financial integrity of the applicant and of any other separate person that either:

(i) controls the applicant, directly or indirectly, or

(ii) is controlled, directly or indirectly, by that applicant or by a person who controls, directly or indirectly, that applicant;

(2) the applicant's facilities or proposed facilities for conducting horse racing;

(3) the total revenue without regard to Section 32.1 to be derived by the State and horsemen from the applicant's conducting a race meeting;

(4) the applicant's good faith affirmative action plan to recruit, train, and upgrade minorities in all employment classifications;

(5) the applicant's financial ability to purchase and maintain adequate liability and casualty insurance;

(6) the applicant's proposed and prior year's promotional and marketing activities and expenditures of the applicant associated with those activities;

(7) an agreement, if any, among organization licensees as provided in subsection (b) of Section 21 of this Act; and

(8) the extent to which the applicant exceeds or meets other standards for the issuance of an organization license that the Board shall adopt by rule.

In granting organization licenses and allocating dates for horse race meetings, the Board shall have discretion to determine an overall schedule, including required simulcasts of Illinois races by host tracks that will, in its judgment, be conducive to the best interests of the public and the sport of horse racing.

(e-10) The Illinois Administrative Procedure Act shall apply to administrative procedures of the Board under this Act for the granting of an organization license, except that (1) notwithstanding the provisions of subsection (b) of Section 10-40 of the Illinois Administrative Procedure Act regarding cross-examination, the Board may prescribe rules limiting the right of an applicant or participant in any proceeding to award an organization license to conduct cross-examination of witnesses at that proceeding where that cross-examination would unduly obstruct the timely award of an organization license under subsection (e) of Section 20 of this Act; (2) the provisions of Section 10-45 of the Illinois Administrative Procedure Act regarding proposals for decision are excluded under this Act; (3) notwithstanding the provisions of subsection (a) of Section 10-60 of the Illinois Administrative Procedure Act regarding ex parte communications, the Board may prescribe rules allowing ex parte communications with applicants or participants in a proceeding to award an organization license where conducting those communications would be in the best interest of racing, provided all those communications are made part of the record of that proceeding pursuant to subsection (c) of Section 10-60 of the Illinois Administrative Procedure Act; (4) the provisions of Section 14a of this Act and the rules of the Board promulgated under that Section shall apply instead of the provisions of Article 10 of the Illinois Administrative Procedure Act regarding administrative law judges; and (5) the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act that prevent summary suspension of a license pending revocation or other action shall not apply.

(f) The Board may allot racing dates to an organization licensee for more than one calendar year but for no more than 3 successive calendar years in advance, provided that the Board shall review such allotment for more than one calendar year prior to each year for which such allotment has been made. The granting of an organization license to a person constitutes a privilege to conduct a horse race meeting under the

provisions of this Act, and no person granted an organization license shall be deemed to have a vested interest, property right, or future expectation to receive an organization license in any subsequent year as a result of the granting of an organization license. Organization licenses shall be subject to revocation if the organization licensee has violated any provision of this Act or the rules and regulations promulgated under this Act or has been convicted of a crime or has failed to disclose or has stated falsely any information called for in the application for an organization license. Any organization license revocation proceeding shall be in accordance with Section 16 regarding suspension and revocation of occupation licenses.

(f-5) If, (i) an applicant does not file an acceptance of the racing dates awarded by the Board as required under part (1) of subsection (h) of this Section 20, or (ii) an organization licensee has its license suspended or revoked under this Act, the Board, upon conducting an emergency hearing as provided for in this Act, may reaward on an emergency basis pursuant to rules established by the Board, racing dates not accepted or the racing dates associated with any suspension or revocation period to one or more organization licensees, new applicants, or any combination thereof, upon terms and conditions that the Board determines are in the best interest of racing, provided, the organization licensees or new applicants receiving the awarded racing dates file an acceptance of those reawarded racing dates as required under paragraph (1) of subsection (h) of this Section 20 and comply with the other provisions of this Act. The Illinois Administrative Procedure Act shall not apply to the administrative procedures of the Board in conducting the emergency hearing and the reallocation of racing dates on an emergency basis.

(g) (Blank).

(h) The Board shall send the applicant a copy of its formally executed order by certified mail addressed to the applicant at the address stated in his application, which notice shall be mailed within 5 days of the date the formal order is executed.

Each applicant notified shall, within 10 days after receipt of the final executed order of the Board awarding racing dates:

(1) file with the Board an acceptance of such award in the form prescribed by the Board;

(2) pay to the Board an additional amount equal to \$110 for each racing date awarded;

and

(3) file with the Board the bonds required in Sections 21 and 25 at least 20 days prior to the first day of each race meeting.

Upon compliance with the provisions of paragraphs (1), (2), and (3) of this subsection (h), the applicant shall be issued an organization license.

If any applicant fails to comply with this Section or fails to pay the organization license fees herein provided, no organization license shall be issued to such applicant.

(Source: P.A. 97-333, eff. 8-12-11.)

(230 ILCS 5/21) (from Ch. 8, par. 37-21)

Sec. 21. (a) Applications for organization licenses must be filed with the Board at a time and place prescribed by the rules and regulations of the Board. The Board shall examine the applications within 21 days after the date allowed for filing with respect to their conformity with this Act and such rules and regulations as may be prescribed by the Board. If any application does not comply with this Act or the rules and regulations prescribed by the Board, such application may be rejected and an organization license refused to the applicant, or the Board may, within 21 days of the receipt of such application, advise the applicant of the deficiencies of the application under the Act or the rules and regulations of the Board, and require the submittal of an amended application within a reasonable time determined by the Board; and upon submittal of the amended application by the applicant, the Board may consider the application consistent with the process described in subsection (e-5) of Section 20 of this Act. If it is found to be in compliance with this Act and the rules and regulations of the Board, the Board may then issue an organization license to such applicant.

(b) The Board may exercise discretion in granting racing dates to qualified applicants different from those requested by the applicants in their applications. However, if all eligible applicants for organization licenses whose tracks are located within 100 miles of each other execute and submit to the Board a written agreement among such applicants as to the award of racing dates, including where applicable racing programs, for up to 3 consecutive years, then subject to annual review of each applicant's compliance with Board rules and regulations, provisions of this Act and conditions contained in annual dates orders issued by the Board, the Board may grant such dates and programs to such applicants as so agreed by them if the Board determines that the grant of these racing dates is in the best interests of racing. The Board shall treat any such agreement as the agreement signatories' joint and several application for racing dates during the term of the agreement.

(c) Where 2 or more applicants propose to conduct horse race meetings within 35 miles of each other, as certified to the Board under Section 19 (a) (1) of this Act, on conflicting dates, the Board may determine and grant the number of racing days to be awarded to the several applicants in accordance with the provisions of subsection (e-5) of Section 20 of this Act.

(d) (Blank).

(e) Prior to the issuance of an organization license, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$200,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon the payment by the organization licensee of all taxes due under Section 27, other monies due and payable under this Act, all purses due and payable, and that the organization licensee will upon presentation of the winning ticket or tickets distribute all sums due to the patrons of pari-mutuel pools. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the amount of the bond required under this subsection (e) shall be \$500,000.

(f) Each organization license shall specify the person to whom it is issued, the dates upon which horse racing is permitted, and the location, place, track, or enclosure where the horse race meeting is to be held.

(g) Any person who owns one or more race tracks within the State may seek, in its own name, a separate organization license for each race track.

(h) All racing conducted under such organization license is subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such organization license issued by the Board shall contain a recital to that effect.

(i) Each such organization licensee may provide that at least one race per day may be devoted to the racing of quarter horses, appaloosas, arabians, or paints.

(j) In acting on applications for organization licenses, the Board shall give weight to an organization license which has implemented a good faith affirmative action effort to recruit, train and upgrade minorities in all classifications within the organization license.

(Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

(230 ILCS 5/24) (from Ch. 8, par. 37-24)

Sec. 24. (a) No license shall be issued to or held by an organization licensee unless all of its officers, directors, and holders of ownership interests of at least 5% are first approved by the Board. The Board shall not give approval of an organization license application to any person who has been convicted of or is under an indictment for a crime of moral turpitude or has violated any provision of the racing law of this State or any rules of the Board.

(b) An organization licensee must notify the Board within 10 days of any change in the holders of a direct or indirect interest in the ownership of the organization licensee. The Board may, after hearing, revoke the organization license of any person who registers on its books or knowingly permits a direct or indirect interest in the ownership of that person without notifying the Board of the name of the holder in interest within this period.

(c) In addition to the provisions of subsection (a) of this Section, no person shall be granted an organization license if any public official of the State or member of his or her family holds any ownership or financial interest, directly or indirectly, in the person.

(d) No person which has been granted an organization license to hold a race meeting shall give to any public official or member of his family, directly or indirectly, for or without consideration, any interest in the person. The Board shall, after hearing, revoke the organization license granted to a person which has violated this subsection.

(e) (Blank).

(f) No organization licensee or concessionaire or officer, director or holder or controller of 5% or more legal or beneficial interest in any organization licensee or concession shall make any sort of gift or contribution that is prohibited under Article 10 of the State Officials and Employees Ethics Act of any kind or pay or give any money or other thing of value to any person who is a public official, or a candidate or nominee for public office if that payment or gift is prohibited under Article 10 of the State Officials and Employees Ethics Act.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/25) (from Ch. 8, par. 37-25)

Sec. 25. Admission charge; bond; fine.

(a) There shall be paid to the Board at such time or times as it shall prescribe, the sum of fifteen cents (15¢) for each person entering the grounds or enclosure of each organization licensee and inter-track wagering licensee upon a ticket of admission except as provided in subsection (g) of Section 27 of this Act. If tickets are issued for more than one day then the sum of fifteen cents (15¢) shall be paid for each person using such ticket on each day that the same shall be used. Provided, however, that no charge shall

be made on tickets of admission issued to and in the name of directors, officers, agents or employees of the organization licensee, or inter-track wagering licensee, or to owners, trainers, jockeys, drivers and their employees or to any person or persons entering the grounds or enclosure for the transaction of business in connection with such race meeting. The organization licensee or inter-track wagering licensee may, if it desires, collect such amount from each ticket holder in addition to the amount or amounts charged for such ticket of admission. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the admission charge imposed by this subsection (a) shall be 40 cents for each person entering the grounds or enclosure of each organization licensee and inter-track wagering licensee upon a ticket of admission, and if such tickets are issued for more than one day, 40 cents shall be paid for each person using such ticket on each day that the same shall be used.

(b) Accurate records and books shall at all times be kept and maintained by the organization licensees and inter-track wagering licensees showing the admission tickets issued and used on each racing day and the attendance thereof of each horse racing meeting. The Board or its duly authorized representative or representatives shall at all reasonable times have access to the admission records of any organization licensee and inter-track wagering licensee for the purpose of examining and checking the same and ascertaining whether or not the proper amount has been or is being paid the State of Illinois as herein provided. The Board shall also require, before issuing any license, that the licensee shall execute and deliver to it a bond, payable to the State of Illinois, in such sum as it shall determine, not, however, in excess of fifty thousand dollars (\$50,000), with a surety or sureties to be approved by it, conditioned for the payment of all sums due and payable or collected by it under this Section upon admission fees received for any particular racing meetings. The Board may also from time to time require sworn statements of the number or numbers of such admissions and may prescribe blanks upon which such reports shall be made. Any organization licensee or inter-track wagering licensee failing or refusing to pay the amount found to be due as herein provided, shall be deemed guilty of a business offense and upon conviction shall be punished by a fine of not more than five thousand dollars (\$5,000) in addition to the amount due from such organization licensee or inter-track wagering licensee as herein provided. All fines paid into court by an organization licensee or inter-track wagering licensee found guilty of violating this Section shall be transmitted and paid over by the clerk of the court to the Board. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, any fine imposed pursuant to this subsection (b) shall not exceed \$10,000.

(Source: P.A. 88-495; 89-16, eff. 5-30-95.)

(230 ILCS 5/26) (from Ch. 8, par. 37-26)

Sec. 26. Wagering.

(a) Any licensee may conduct and supervise the pari-mutuel system of wagering, as defined in Section 3.12 of this Act, on horse races conducted by an Illinois organization licensee or conducted at a racetrack located in another state or country ~~and televised in Illinois~~ in accordance with subsection (g) of Section 26 of this Act. Subject to the prior consent of the Board, licensees may supplement any pari-mutuel pool in order to guarantee a minimum distribution. Such pari-mutuel method of wagering shall not, under any circumstances if conducted under the provisions of this Act, be held or construed to be unlawful, other statutes of this State to the contrary notwithstanding. Subject to rules for advance wagering promulgated by the Board, any licensee may accept wagers in advance of the day of the race wagered upon occurs.

(b) Except for those gaming activities for which a license is obtained and authorized under the Illinois Lottery Law, the Charitable Games Act, the Raffles and Poker Runs Act, or the Illinois Gambling Act, no ~~Ne~~ other method of betting, pool making, wagering or gambling shall be used or permitted by the licensee. Each licensee may retain, subject to the payment of all applicable taxes and purses, an amount not to exceed 17% of all money wagered under subsection (a) of this Section, except as may otherwise be permitted under this Act.

(b-5) An individual may place a wager under the pari-mutuel system from any licensed location authorized under this Act provided that wager is electronically recorded in the manner described in Section 3.12 of this Act. Any wager made electronically by an individual while physically on the premises of a licensee shall be deemed to have been made at the premises of that licensee.

(c) ~~(Blank). Until January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be paid to the Illinois Veterans' Rehabilitation Fund of the State treasury, except as provided in subsection (g) of Section 27 of this Act.~~

(c-5) ~~The Beginning January 1, 2000,~~ the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be evenly distributed to the purse account of the organization licensee and the organization licensee, except that the balance of the sum of all outstanding pari-mutuel tickets generated from simulcast wagering and inter-track wagering by an organization licensee located in a county with a population in excess of 230,000 and borders the Mississippi River or any licensee that derives its license from that organization licensee shall be evenly distributed to the purse account of the organization licensee and the organization licensee.

(d) A pari-mutuel ticket shall be honored until December 31 of the next calendar year, and the licensee shall pay the same and may charge the amount thereof against unpaid money similarly accumulated on account of pari-mutuel tickets not presented for payment.

(e) No licensee shall knowingly permit any minor, other than an employee of such licensee or an owner, trainer, jockey, driver, or employee thereof, to be admitted during a racing program unless accompanied by a parent or guardian, or any minor to be a patron of the pari-mutuel system of wagering conducted or supervised by it. The admission of any unaccompanied minor, other than an employee of the licensee or an owner, trainer, jockey, driver, or employee thereof at a race track is a Class C misdemeanor.

(f) Notwithstanding the other provisions of this Act, an organization licensee may contract with an entity in another state or country to permit any legal wagering entity in another state or country to accept wagers solely within such other state or country on races conducted by the organization licensee in this State. Beginning January 1, 2000, these wagers shall not be subject to State taxation. Until January 1, 2000, when the out-of-State entity conducts a pari-mutuel pool separate from the organization licensee, a privilege tax equal to 7 1/2% of all monies received by the organization licensee from entities in other states or countries pursuant to such contracts is imposed on the organization licensee, and such privilege tax shall be remitted to the Department of Revenue within 48 hours of receipt of the moneys from the simulcast. When the out-of-State entity conducts a combined pari-mutuel pool with the organization licensee, the tax shall be 10% of all monies received by the organization licensee with 25% of the receipts from this 10% tax to be distributed to the county in which the race was conducted.

An organization licensee may permit one or more of its races to be utilized for pari-mutuel wagering at one or more locations in other states and may transmit audio and visual signals of races the organization licensee conducts to one or more locations outside the State or country and may also permit pari-mutuel pools in other states or countries to be combined with its gross or net wagering pools or with wagering pools established by other states.

(g) A host track may accept interstate simulcast wagers on horse races conducted in other states or countries and shall control the number of signals and types of breeds of racing in its simulcast program, subject to the disapproval of the Board. The Board may prohibit a simulcast program only if it finds that the simulcast program is clearly adverse to the integrity of racing. The host track simulcast program shall include the signal of live racing of all organization licensees. All non-host licensees and advance deposit wagering licensees shall carry the signal of and accept wagers on live racing of all organization licensees. Advance deposit wagering licensees shall not be permitted to accept out-of-state wagers on any Illinois signal provided pursuant to this Section without the approval and consent of the organization licensee providing the signal. For one year after August 15, 2014 (the effective date of Public Act 98-968), non-host licensees may carry the host track simulcast program and shall accept wagers on all races included as part of the simulcast program of horse races conducted at race tracks located within North America upon which wagering is permitted. For a period of one year after August 15, 2014 (the effective date of Public Act 98-968), on horse races conducted at race tracks located outside of North America, non-host licensees may accept wagers on all races included as part of the simulcast program upon which wagering is permitted. Beginning August 15, 2015 (one year after the effective date of Public Act 98-968), non-host licensees may carry the host track simulcast program and shall accept wagers on all races included as part of the simulcast program upon which wagering is permitted. All organization licensees shall provide their live signal to all advance deposit wagering licensees for a simulcast commission fee not to exceed 6% of the advance deposit wagering licensee's Illinois handle on the organization licensee's signal without prior approval by the Board. The Board may adopt rules under which it may permit simulcast commission fees in excess of 6%. The Board shall adopt rules limiting the interstate commission fees charged to an advance deposit wagering licensee. The Board shall adopt rules regarding advance deposit wagering on interstate simulcast races that shall reflect, among other things, the General Assembly's desire to maximize revenues to the State, horsemen purses, and organization ~~organizational~~ licensees. However, organization licensees providing live signals pursuant to the requirements of this subsection (g) may petition the Board to

withhold their live signals from an advance deposit wagering licensee if the organization licensee discovers and the Board finds reputable or credible information that the advance deposit wagering licensee is under investigation by another state or federal governmental agency, the advance deposit wagering licensee's license has been suspended in another state, or the advance deposit wagering licensee's license is in revocation proceedings in another state. The organization licensee's provision of their live signal to an advance deposit wagering licensee under this subsection (g) pertains to wagers placed from within Illinois. Advance deposit wagering licensees may place advance deposit wagering terminals at wagering facilities as a convenience to customers. The advance deposit wagering licensee shall not charge or collect any fee from purses for the placement of the advance deposit wagering terminals. The costs and expenses of the host track and non-host licensees associated with interstate simulcast wagering, other than the interstate commission fee, shall be borne by the host track and all non-host licensees incurring these costs. The interstate commission fee shall not exceed 5% of Illinois handle on the interstate simulcast race or races without prior approval of the Board. The Board shall promulgate rules under which it may permit interstate commission fees in excess of 5%. The interstate commission fee and other fees charged by the sending racetrack, including, but not limited to, satellite decoder fees, shall be uniformly applied to the host track and all non-host licensees.

Notwithstanding any other provision of this Act, ~~through December 31, 2020~~, an organization licensee, with the consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting, may maintain a system whereby advance deposit wagering may take place or an organization licensee, with the consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting, may contract with another person to carry out a system of advance deposit wagering. Such consent may not be unreasonably withheld. Only with respect to an appeal to the Board that consent for an organization licensee that maintains its own advance deposit wagering system is being unreasonably withheld, the Board shall issue a final order within 30 days after initiation of the appeal, and the organization licensee's advance deposit wagering system may remain operational during that 30-day period. The actions of any organization licensee who conducts advance deposit wagering or any person who has a contract with an organization licensee to conduct advance deposit wagering who conducts advance deposit wagering on or after January 1, 2013 and prior to June 7, 2013 (the effective date of Public Act 98-18) taken in reliance on the changes made to this subsection (g) by Public Act 98-18 are hereby validated, provided payment of all applicable pari-mutuel taxes are remitted to the Board. All advance deposit wagers placed from within Illinois must be placed through a Board-approved advance deposit wagering licensee; no other entity may accept an advance deposit wager from a person within Illinois. All advance deposit wagering is subject to any rules adopted by the Board. The Board may adopt rules necessary to regulate advance deposit wagering through the use of emergency rulemaking in accordance with Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate advance deposit wagering is deemed an emergency and necessary for the public interest, safety, and welfare. An advance deposit wagering licensee may retain all moneys as agreed to by contract with an organization licensee. Any moneys retained by the organization licensee from advance deposit wagering, not including moneys retained by the advance deposit wagering licensee, shall be paid 50% to the organization licensee's purse account and 50% to the organization licensee. With the exception of any organization licensee that is owned by a publicly traded company that is incorporated in a state other than Illinois and advance deposit wagering licensees under contract with such organization licensees, organization licensees that maintain advance deposit wagering systems and advance deposit wagering licensees that contract with organization licensees shall provide sufficiently detailed monthly accountings to the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting so that the horsemen association, as an interested party, can confirm the accuracy of the amounts paid to the purse account at the horsemen association's affiliated organization licensee from advance deposit wagering. If more than one breed races at the same race track facility, then the 50% of the moneys to be paid to an organization licensee's purse account shall be allocated among all organization licensees' purse accounts operating at that race track facility proportionately based on the actual number of host days that the Board grants to that breed at that race track facility in the current calendar year. To the extent any fees from advance deposit wagering conducted in Illinois for wagers in Illinois or other states have been placed in escrow or otherwise withheld from wagers pending a determination of the legality of advance deposit wagering, no action shall be brought to declare such wagers or the disbursement of any fees previously escrowed illegal.

(1) Between the hours of 6:30 a.m. and 6:30 p.m. an inter-track wagering licensee other

than the host track may supplement the host track simulcast program with additional simulcast races or race programs, provided that between January 1 and the third Friday in February of any year, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, only thoroughbred races may be used for supplemental interstate simulcast purposes. The Board shall withhold approval for a supplemental interstate simulcast only if it finds that the simulcast is clearly adverse to the integrity of racing. A supplemental interstate simulcast may be transmitted from an inter-track wagering licensee to its affiliated non-host licensees. The interstate commission fee for a supplemental interstate simulcast shall be paid by the non-host licensee and its affiliated non-host licensees receiving the simulcast.

(2) Between the hours of 6:30 p.m. and 6:30 a.m. an inter-track wagering licensee other than the host track may receive supplemental interstate simulcasts only with the consent of the host track, except when the Board finds that the simulcast is clearly adverse to the integrity of racing. Consent granted under this paragraph (2) to any inter-track wagering licensee shall be deemed consent to all non-host licensees. The interstate commission fee for the supplemental interstate simulcast shall be paid by all participating non-host licensees.

(3) Each licensee conducting interstate simulcast wagering may retain, subject to the payment of all applicable taxes and the purses, an amount not to exceed 17% of all money wagered. If any licensee conducts the pari-mutuel system wagering on races conducted at racetracks in another state or country, each such race or race program shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax of that daily handle as provided in subsection (a) of Section 27. Until January 1, 2000, from the sums permitted to be retained pursuant to this subsection, each inter-track wagering location licensee shall pay 1% of the pari-mutuel handle wagered on simulcast wagering to the Horse Racing Tax Allocation Fund, subject to the provisions of subparagraph (B) of paragraph (11) of subsection (h) of Section 26 of this Act.

(4) A licensee who receives an interstate simulcast may combine its gross or net pools with pools at the sending racetracks pursuant to rules established by the Board. All licensees combining their gross pools at a sending racetrack shall adopt the ~~takeout~~ ~~take-out~~ percentages of the sending racetrack. A licensee may also establish a separate pool and takeout structure for wagering purposes on races conducted at race tracks outside of the State of Illinois. The licensee may permit pari-mutuel wagers placed in other states or countries to be combined with its gross or net wagering pools or other wagering pools.

(5) After the payment of the interstate commission fee (except for the interstate commission fee on a supplemental interstate simulcast, which shall be paid by the host track and by each non-host licensee through the host track ~~host-track~~) and all applicable State and local taxes, except as provided in subsection (g) of Section 27 of this Act, the remainder of moneys retained from simulcast wagering pursuant to this subsection (g), and Section 26.2 shall be divided as follows:

(A) For interstate simulcast wagers made at a host track, 50% to the host track and 50% to purses at the host track.

(B) For wagers placed on interstate simulcast races, supplemental simulcasts as defined in subparagraphs (1) and (2), and separately pooled races conducted outside of the State of Illinois made at a non-host licensee, 25% to the host track, 25% to the non-host licensee, and 50% to the purses at the host track.

(6) Notwithstanding any provision in this Act to the contrary, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River may receive supplemental interstate simulcast races at all times subject to Board approval, which shall be withheld only upon a finding that a supplemental interstate simulcast is clearly adverse to the integrity of racing.

(7) Effective January 1, 2017, notwithstanding any provision of this Act to the contrary, after payment of all applicable State and local taxes and interstate commission fees, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain 50% of the retention from interstate simulcast wagers and shall pay 50% to purses at the track from which the non-host licensee derives its license.

(7.1) Notwithstanding any other provision of this Act to the contrary, if no standardbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 p.m. and 6:30 a.m. during that calendar year shall be paid as follows:

(A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be paid to its thoroughbred purse account; and

(B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund and shall be paid to purses for standardbred races for Illinois conceived and foaled horses conducted at any county fairgrounds. The moneys deposited into the Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with other moneys paid into that Fund. The moneys deposited pursuant to this subparagraph (B) shall be allocated as provided by the Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board.

(7.2) Notwithstanding any other provision of this Act to the contrary, if no thoroughbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 a.m. and 6:30 p.m. during that calendar year shall be deposited as follows:

(A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be deposited into its standardbred purse account; and

(B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund. Moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be paid to Illinois conceived and foaled thoroughbred breeders' programs and to thoroughbred purses for races conducted at any county fairgrounds for Illinois conceived and foaled horses at the discretion of the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. The moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to thoroughbred purses under this Act, and shall not be commingled with other moneys deposited into that Fund.

(7.3) (Blank).

(7.4) (Blank).

(8) Notwithstanding any provision in this Act to the contrary, an organization licensee from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River and its affiliated non-host licensees shall not be entitled to share in any retention generated on racing, inter-track wagering, or simulcast wagering at any other Illinois wagering facility.

(8.1) Notwithstanding any provisions in this Act to the contrary, if 2 organization licensees are conducting standardbred race meetings concurrently between the hours of 6:30 p.m. and 6:30 a.m., after payment of all applicable State and local taxes and interstate commission fees, the remainder of the amount retained from simulcast wagering otherwise attributable to the host track and to host track purses shall be split daily between the 2 organization licensees and the purses at the tracks of the 2 organization licensees, respectively, based on each organization licensee's share of the total live handle for that day, provided that this provision shall not apply to any non-host licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River.

(9) (Blank).

(10) (Blank).

(11) (Blank).

(12) The Board shall have authority to compel all host tracks to receive the simulcast of any or all races conducted at the Springfield or DuQuoin State fairgrounds and include all such races as part of their simulcast programs.

(13) Notwithstanding any other provision of this Act, in the event that the total Illinois pari-mutuel handle on Illinois horse races at all wagering facilities in any calendar year is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at all such wagering facilities for calendar year 1994, then each wagering facility that has an annual total Illinois pari-mutuel handle on Illinois horse races that is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at such wagering facility for calendar year 1994, shall be permitted to receive, from any amount otherwise payable to the purse account at the race track with which the wagering facility is affiliated in the succeeding calendar year, an amount equal to 2% of the differential in total Illinois pari-mutuel handle on Illinois horse races at the wagering facility between that calendar year in question and 1994 provided, however, that a wagering facility shall not be entitled to any such payment until the Board certifies in writing to the wagering facility the amount to which the wagering facility is entitled and a schedule for payment of the amount to the wagering facility, based on: (i) the racing dates awarded to

the race track affiliated with the wagering facility during the succeeding year; (ii) the sums available or anticipated to be available in the purse account of the race track affiliated with the wagering facility for purses during the succeeding year; and (iii) the need to ensure reasonable purse levels during the payment period. The Board's certification shall be provided no later than January 31 of the succeeding year. In the event a wagering facility entitled to a payment under this paragraph (13) is affiliated with a race track that maintains purse accounts for both standardbred and thoroughbred racing, the amount to be paid to the wagering facility shall be divided between each purse account pro rata, based on the amount of Illinois handle on Illinois standardbred and thoroughbred racing respectively at the wagering facility during the previous calendar year. Annually, the General Assembly shall appropriate sufficient funds from the General Revenue Fund to the Department of Agriculture for payment into the thoroughbred and standardbred horse racing purse accounts at Illinois pari-mutuel tracks. The amount paid to each purse account shall be the amount certified by the Illinois Racing Board in January to be transferred from each account to each eligible racing facility in accordance with the provisions of this Section. Beginning in the calendar year in which an organization licensee that is eligible to receive payment under this paragraph (13) begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the amount of the payment due to all wagering facilities licensed under that organization licensee under this paragraph (13) shall be the amount certified by the Board in January of that year. An organization licensee and its related wagering facilities shall no longer be able to receive payments under this paragraph (13) beginning in the year subsequent to the first year in which the organization licensee begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act.

(h) The Board may approve and license the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees subject to the following terms and conditions:

(1) Any person licensed to conduct a race meeting (i) at a track where 60 or more days of racing were conducted during the immediately preceding calendar year or where over the 5 immediately preceding calendar years an average of 30 or more days of racing were conducted annually may be issued an inter-track wagering license; (ii) at a track located in a county that is bounded by the Mississippi River, which has a population of less than 150,000 according to the 1990 decennial census, and an average of at least 60 days of racing per year between 1985 and 1993 may be issued an inter-track wagering license; ~~or~~ (iii) at a track awarded standardbred racing dates; or (iv) at a track located in Madison County that conducted at least 100 days of live racing during the immediately preceding calendar year may be issued an inter-track wagering license, unless a lesser schedule of live racing is the result of (A) weather, unsafe track conditions, or other acts of God; (B) an agreement between the organization licensee and the associations representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting; or (C) a finding by the Board of extraordinary circumstances and that it was in the best interest of the public and the sport to conduct fewer than 100 days of live racing. Any such person having operating control of the racing facility may receive inter-track wagering location licenses. An eligible race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River may establish up to 9 inter-track wagering locations, an eligible race track located in Stickney Township in Cook County may establish up to 16 inter-track wagering locations, and an eligible race track located in Palatine Township in Cook County may establish up to 18 inter-track wagering locations. An eligible racetrack conducting standardbred racing may have up to 16 inter-track wagering locations. An application for said license shall be filed with the Board prior to such dates as may be fixed by the Board. With an application for an inter-track wagering location license there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$500. The application shall be on forms prescribed and furnished by the Board. The application shall comply with all other rules, regulations and conditions imposed by the Board in connection therewith.

(2) The Board shall examine the applications with respect to their conformity with this Act and the rules and regulations imposed by the Board. If found to be in compliance with the Act and rules and regulations of the Board, the Board may then issue a license to conduct inter-track wagering and simulcast wagering to such applicant. All such applications shall be acted upon by the Board at a meeting to be held on such date as may be fixed by the Board.

(3) In granting licenses to conduct inter-track wagering and simulcast wagering, the Board shall give due consideration to the best interests of the public, of horse racing, and of maximizing revenue to the State.

(4) Prior to the issuance of a license to conduct inter-track wagering and simulcast

wagering, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$50,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon (i) the payment by the licensee of all taxes due under Section 27 or 27.1 and any other monies due and payable under this Act, and (ii) distribution by the licensee, upon presentation of the winning ticket or tickets, of all sums payable to the patrons of pari-mutuel pools.

(5) Each license to conduct inter-track wagering and simulcast wagering shall specify the person to whom it is issued, the dates on which such wagering is permitted, and the track or location where the wagering is to be conducted.

(6) All wagering under such license is subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such license issued by the Board shall contain a recital to that effect.

(7) An inter-track wagering licensee or inter-track wagering location licensee may accept wagers at the track or location where it is licensed, or as otherwise provided under this Act.

(8) Inter-track wagering or simulcast wagering shall not be conducted at any track less than $4\frac{1}{2}$ miles from a track at which a racing meeting is in progress.

(8.1) Inter-track wagering location licensees who derive their licenses from a particular organization licensee shall conduct inter-track wagering and simulcast wagering only at locations that are within 160 miles of that race track where the particular organization licensee is licensed to conduct racing. However, inter-track wagering and simulcast wagering shall not be conducted by those licensees at any location within 5 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made. In the case of any inter-track wagering location licensee initially licensed after December 31, 2013, inter-track wagering and simulcast wagering shall not be conducted by those inter-track wagering location licensees that are located outside the City of Chicago at any location within 8 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made.

(8.2) Inter-track wagering or simulcast wagering shall not be conducted by an inter-track wagering location licensee at any location within 500 feet of an existing church, an existing elementary or secondary public school, or an existing elementary or secondary private school registered with or recognized by the State Board of Education ~~school~~, nor within 500 feet of the residences of more than 50 registered voters without receiving written permission from a majority of the registered voters at such residences. Such written permission statements shall be filed with the Board. The distance of 500 feet shall be measured to the nearest part of any building used for worship services, education programs, residential purposes, or conducting inter-track wagering by an inter-track wagering location licensee, and not to property boundaries. However, inter-track wagering or simulcast wagering may be conducted at a site within 500 feet of a church, school or residences of 50 or more registered voters if such church, school or residences have been erected or established, or such voters have been registered, after the Board issues the original inter-track wagering location license at the site in question. Inter-track wagering location licensees may conduct inter-track wagering and simulcast wagering only in areas that are zoned for commercial or manufacturing purposes or in areas for which a special use has been approved by the local zoning authority. However, no license to conduct inter-track wagering and simulcast wagering shall be granted by the Board with respect to any inter-track wagering location within the jurisdiction of any local zoning authority which has, by ordinance or by resolution, prohibited the establishment of an inter-track wagering location within its jurisdiction. However, inter-track wagering and simulcast wagering may be conducted at a site if such ordinance or resolution is enacted after the Board licenses the original inter-track wagering location licensee for the site in question.

(9) (Blank).

(10) An inter-track wagering licensee or an inter-track wagering location licensee may retain, subject to the payment of the privilege taxes and the purses, an amount not to exceed 17% of all money wagered. Each program of racing conducted by each inter-track wagering licensee or inter-track wagering location licensee shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax or pari-mutuel tax on such daily handle as provided in Section 27.

(10.1) Except as provided in subsection (g) of Section 27 of this Act, inter-track

wagering location licensees shall pay 1% of the pari-mutuel handle at each location to the municipality in which such location is situated and 1% of the pari-mutuel handle at each location to the county in which such location is situated. In the event that an inter-track wagering location licensee is situated in an unincorporated area of a county, such licensee shall pay 2% of the pari-mutuel handle from such location to such county.

(10.2) Notwithstanding any other provision of this Act, with respect to inter-track wagering at a race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River ("the first race track"), or at a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, on races conducted at the first race track or on races conducted at another Illinois race track and simultaneously televised to the first race track or to a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, those moneys shall be allocated as follows:

(A) That portion of all moneys wagered on standardbred racing that is required under this Act to be paid to purses shall be paid to purses for standardbred races.

(B) That portion of all moneys wagered on thoroughbred racing that is required under this Act to be paid to purses shall be paid to purses for thoroughbred races.

(11) (A) After payment of the privilege or pari-mutuel tax, any other applicable taxes, and the costs and expenses in connection with the gathering, transmission, and dissemination of all data necessary to the conduct of inter-track wagering, the remainder of the monies retained under either Section 26 or Section 26.2 of this Act by the inter-track wagering licensee on inter-track wagering shall be allocated with 50% to be split between the 2 participating licensees and 50% to purses, except that an inter-track wagering licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the Illinois organization licensee that provides the race or races, and an inter-track wagering licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with that organization licensee.

(B) From the sums permitted to be retained pursuant to this Act each inter-track wagering location licensee shall pay (i) the privilege or pari-mutuel tax to the State; (ii) 4.75% of the pari-mutuel handle on inter-track wagering at such location on races as purses, except that an inter-track wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain all purse moneys for its own purse account consistent with distribution set forth in this subsection (h), and inter-track wagering location licensees that accept wagers on races conducted by an organization licensee located in a county with a population in excess of 230,000 and that borders the Mississippi River shall distribute all purse moneys to purses at the operating host track; (iii) until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, 1% of the pari-mutuel handle wagered on inter-track wagering and simulcast wagering at each inter-track wagering location licensee facility to the Horse Racing Tax Allocation Fund, provided that, to the extent the total amount collected and distributed to the Horse Racing Tax Allocation Fund under this subsection (h) during any calendar year exceeds the amount collected and distributed to the Horse Racing Tax Allocation Fund during calendar year 1994, that excess amount shall be redistributed (I) to all inter-track wagering location licensees, based on each licensee's pro rata ~~pro-rata~~ share of the total handle from inter-track wagering and simulcast wagering for all inter-track wagering location licensees during the calendar year in which this provision is applicable; then (II) the amounts redistributed to each inter-track wagering location licensee as described in subpart (I) shall be further redistributed as provided in subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 provided first, that the shares of those amounts, which are to be redistributed to the host track or to purses at the host track under subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 shall be redistributed based on each host track's pro rata share of the total inter-track wagering and simulcast wagering handle at all host tracks during the calendar year in question, and second, that any amounts redistributed as described in part (I) to an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall be further redistributed, effective January 1, 2017, as provided in paragraph (7) of subsection (g) of this Section 26, with the portion of that further redistribution allocated to purses at that organization licensee to be divided between standardbred purses and thoroughbred purses based on the amounts otherwise allocated to purses at that organization licensee during the calendar year in question; and (iv) 8% of the pari-mutuel handle on inter-track wagering wagered at such location to satisfy all costs and expenses of conducting

its wagering. The remainder of the monies retained by the inter-track wagering location licensee shall be allocated 40% to the location licensee and 60% to the organization licensee which provides the Illinois races to the location, except that an inter-track wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee that provides the race or races and an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee. Notwithstanding the provisions of clauses (ii) and (iv) of this paragraph, in the case of the additional inter-track wagering location licenses authorized under paragraph (1) of this subsection (h) by Public Act 87-110, those licensees shall pay the following amounts as purses: during the first 12 months the licensee is in operation, 5.25% of the pari-mutuel handle wagered at the location on races; during the second 12 months, 5.25%; during the third 12 months, 5.75%; during the fourth 12 months, 6.25%; and during the fifth 12 months and thereafter, 6.75%. The following amounts shall be retained by the licensee to satisfy all costs and expenses of conducting its wagering: during the first 12 months the licensee is in operation, 8.25% of the pari-mutuel handle wagered at the location; during the second 12 months, 8.25%; during the third 12 months, 7.75%; during the fourth 12 months, 7.25%; and during the fifth 12 months and thereafter, 6.75%. For additional inter-track wagering location licensees authorized under Public Act 89-16, purses for the first 12 months the licensee is in operation shall be 5.75% of the pari-mutuel wagered at the location, purses for the second 12 months the licensee is in operation shall be 6.25%, and purses thereafter shall be 6.75%. For additional inter-track location licensees authorized under Public Act 89-16, the licensee shall be allowed to retain to satisfy all costs and expenses: 7.75% of the pari-mutuel handle wagered at the location during its first 12 months of operation, 7.25% during its second 12 months of operation, and 6.75% thereafter.

(C) There is hereby created the Horse Racing Tax Allocation Fund which shall remain in existence until December 31, 1999. Moneys remaining in the Fund after December 31, 1999 shall be paid into the General Revenue Fund. Until January 1, 2000, all monies paid into the Horse Racing Tax Allocation Fund pursuant to this paragraph (11) by inter-track wagering location licensees located in park districts of 500,000 population or less, or in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, and operating on May 1, 1994 shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths

shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve as chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to park districts or municipalities that do not have a park district of 500,000 population or less for museum purposes (if an inter-track wagering location licensee is located in such a park district) or to conservation districts for museum purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, except that if the conservation district does not maintain a museum, the monies shall

be allocated equally between the county and the municipality in which the inter-track wagering location licensee is located for general purposes) or to a municipal recreation board for park purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district and park maintenance is the function of the municipal recreation board and the municipality has a 1990 population of 9,302 according to the United States Bureau of the Census); provided that the monies are distributed to each park district or conservation district or municipality that does not have a park district in an amount equal to four-sevenths of the amount collected by each inter-track wagering location licensee within the park district or conservation district or municipality for the Fund. Monies that were paid into the Horse Racing Tax Allocation Fund before August 9, 1991 (the effective date of Public Act 87-110) by an inter-track wagering location licensee located in a municipality that is not included within any park district but is included within a conservation district as provided in this paragraph shall, as soon as practicable after August 9, 1991 (the effective date of Public Act 87-110), be allocated and paid to that conservation district as provided in this paragraph. Any park district or municipality not maintaining a museum may deposit the monies in the corporate fund of the park district or municipality where the inter-track wagering location is located, to be used for general purposes; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967.

Until January 1, 2000, all other monies paid into the Horse Racing Tax Allocation Fund pursuant to this paragraph (11) shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve as chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to museums and aquariums located in park districts of over 500,000 population; provided that the monies are distributed in accordance with the previous year's distribution of the maintenance tax for such museums and aquariums as provided in Section 2 of the Park District Aquarium and Museum Act; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967. This subparagraph (C) shall be inoperative and of no force and effect on and after January 1, 2000.

(D) Except as provided in paragraph (11) of this subsection (h), with respect to purse allocation from inter-track wagering, the monies so retained shall be divided as follows:

(i) If the inter-track wagering licensee, except an inter-track wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is not conducting its own race meeting during the same dates, then the entire purse allocation shall be to purses at the track where the races wagered on are being conducted.

(ii) If the inter-track wagering licensee, except an inter-track wagering

licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is also conducting its own race meeting during the same dates, then the purse allocation shall be as follows: 50% to purses at the track where the races wagered on are being conducted; 50% to purses at the track where the inter-track wagering licensee is accepting such wagers.

(iii) If the inter-track wagering is being conducted by an inter-track wagering location licensee, except an inter-track wagering location licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, the entire purse allocation for Illinois races shall be to purses at the track where the race meeting being wagered on is being held.

(12) The Board shall have all powers necessary and proper to fully supervise and control the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees, including, but not limited to the following:

(A) The Board is vested with power to promulgate reasonable rules and regulations for the purpose of administering the conduct of this wagering and to prescribe reasonable rules, regulations and conditions under which such wagering shall be held and conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of said wagering and to impose penalties for violations thereof.

(B) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities of any licensee to determine whether there has been compliance with the provisions of this Act and the rules and regulations relating to the conduct of such wagering.

(C) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any licensee's facilities, any person whose conduct or reputation is such that his presence on such premises may, in the opinion of the Board, call into the question the honesty and integrity of, or interfere with the orderly conduct of such wagering; provided, however, that no person shall be excluded or ejected from such premises solely on the grounds of race, color, creed, national origin, ancestry, or sex.

(D) (Blank).

(E) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this wagering and any rules and regulations promulgated in accordance with this Act.

(F) The Board shall name and appoint a State director of this wagering who shall be a representative of the Board and whose duty it shall be to supervise the conduct of inter-track wagering as may be provided for by the rules and regulations of the Board; such rules and regulation shall specify the method of appointment and the Director's powers, authority and duties.

(G) The Board is vested with the power to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 against licensees for each violation of any provision of this Act relating to the conduct of this wagering, any rules adopted by the Board, any order of the Board or any other action which in the Board's discretion, is a detriment or impediment to such wagering.

(13) The Department of Agriculture may enter into agreements with licensees authorizing such licensees to conduct inter-track wagering on races to be held at the licensed race meetings conducted by the Department of Agriculture. Such agreement shall specify the races of the Department of Agriculture's licensed race meeting upon which the licensees will conduct wagering. In the event that a licensee conducts inter-track pari-mutuel wagering on races from the Illinois State Fair or DuQuoin State Fair which are in addition to the licensee's previously approved racing program, those races shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege or pari-mutuel tax on that daily handle as provided in Sections 27 and 27.1. Such agreements shall be approved by the Board before such wagering may be conducted. In determining whether to grant approval, the Board shall give due consideration to the best interests of the public and of horse racing. The provisions of paragraphs (1), (8), (8.1), and (8.2) of subsection (h) of this Section which are not specified in this paragraph (13) shall not apply to licensed race meetings conducted by the Department of Agriculture at the Illinois State Fair in Sangamon County or the DuQuoin State Fair in Perry County, or to any wagering conducted on those race meetings.

(14) An inter-track wagering location license authorized by the Board in 2016 that is owned and operated by a race track in Rock Island County shall be transferred to a commonly owned race track in Cook County on August 12, 2016 (the effective date of Public Act 99-757). The licensee shall retain its status in relation to purse distribution under paragraph (11) of this subsection (h) following the transfer to the new entity. The pari-mutuel tax credit under Section 32.1 shall not be

applied toward any pari-mutuel tax obligation of the inter-track wagering location licensee of the license that is transferred under this paragraph (14).

(i) Notwithstanding the other provisions of this Act, the conduct of wagering at wagering facilities is authorized on all days, except as limited by subsection (b) of Section 19 of this Act.

(Source: P.A. 99-756, eff. 8-12-16; 99-757, eff. 8-12-16; 100-201, eff. 8-18-17; 100-627, eff. 7-20-18; 100-1152, eff. 12-14-18; revised 1-13-19.)

(230 ILCS 5/26.8)

Sec. 26.8. Beginning on February 1, 2014 ~~and through December 31, 2020~~, each wagering licensee may impose a surcharge of up to 0.5% on winning wagers and winnings from wagers. The surcharge shall be deducted from winnings prior to payout. All amounts collected from the imposition of this surcharge shall be evenly distributed to the organization licensee and the purse account of the organization licensee with which the licensee is affiliated. The amounts distributed under this Section shall be in addition to the amounts paid pursuant to paragraph (10) of subsection (h) of Section 26, Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

(Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

(230 ILCS 5/26.9)

Sec. 26.9. Beginning on February 1, 2014 ~~and through December 31, 2020~~, in addition to the surcharge imposed in Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each licensee shall impose a surcharge of 0.2% on winning wagers and winnings from wagers. The surcharge shall be deducted from winnings prior to payout. All amounts collected from the surcharges imposed under this Section shall be remitted to the Board. From amounts collected under this Section, the Board shall deposit an amount not to exceed \$100,000 annually into the Quarter Horse Purse Fund and all remaining amounts into the Horse Racing Fund.

(Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

(230 ILCS 5/27) (from Ch. 8, par. 37-27)

Sec. 27. (a) In addition to the organization license fee provided by this Act, until January 1, 2000, a graduated privilege tax is hereby imposed for conducting the pari-mutuel system of wagering permitted under this Act. Until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, all of the breakage of each racing day held by any licensee in the State shall be paid to the State. Until January 1, 2000, such daily graduated privilege tax shall be paid by the licensee from the amount permitted to be retained under this Act. Until January 1, 2000, each day's graduated privilege tax, breakage, and Horse Racing Tax Allocation funds shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes. The privilege tax hereby imposed, until January 1, 2000, shall be a flat tax at the rate of 2% of the daily pari-mutuel handle except as provided in Section 27.1.

In addition, every organization licensee, except as provided in Section 27.1 of this Act, which conducts multiple wagering shall pay, until January 1, 2000, as a privilege tax on multiple wagers an amount equal to 1.25% of all moneys wagered each day on such multiple wagers, plus an additional amount equal to 3.5% of the amount wagered each day on any other multiple wager which involves a single betting interest on 3 or more horses. The licensee shall remit the amount of such taxes to the Department of Revenue within 48 hours after the close of the racing day on which it is assessed or within such other time as the Board prescribes.

This subsection (a) shall be inoperative and of no force and effect on and after January 1, 2000.

(a-5) Beginning on January 1, 2000, a flat pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel handle is imposed at all pari-mutuel wagering facilities and on advance deposit wagering from a location other than a wagering facility, except as otherwise provided for in this subsection (a-5). In addition to the pari-mutuel tax imposed on advance deposit wagering pursuant to this subsection (a-5), beginning on August 24, 2012 (the effective date of Public Act 97-1060) ~~and through December 31, 2020~~, an additional pari-mutuel tax at the rate of 0.25% shall be imposed on advance deposit wagering. Until August 25, 2012, the additional 0.25% pari-mutuel tax imposed on advance deposit wagering by Public Act 96-972 shall be deposited into the Quarter Horse Purse Fund, which shall be created as a non-appropriated trust fund administered by the Board for grants to thoroughbred organization licensees for payment of purses for quarter horse races conducted by the organization licensee. Beginning on August 26, 2012, the additional 0.25% pari-mutuel tax imposed on advance deposit wagering shall be deposited into the Standardbred Purse Fund, which shall be created as a non-appropriated trust fund administered by the Board, for grants to the standardbred organization licensees for payment of purses for standardbred horse races conducted by the organization licensee. Thoroughbred organization licensees may petition the Board to conduct quarter horse racing and receive purse grants from the Quarter Horse Purse Fund. The Board shall have complete discretion in distributing the Quarter Horse Purse Fund to the petitioning organization licensees.

Beginning on July 26, 2010 (the effective date of Public Act 96-1287), a pari-mutuel tax at the rate of 0.75% of the daily pari-mutuel handle is imposed at a pari-mutuel facility whose license is derived from a track located in a county that borders the Mississippi River and conducted live racing in the previous year. The pari-mutuel tax imposed by this subsection (a-5) shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes.

(a-10) Beginning on the date when an organization licensee begins conducting gaming pursuant to an organization gaming license, the following pari-mutuel tax is imposed upon an organization licensee on Illinois races at the licensee's racetrack:

1.5% of the pari-mutuel handle at or below the average daily pari-mutuel handle for 2011.

2% of the pari-mutuel handle above the average daily pari-mutuel handle for 2011 up to 125% of the average daily pari-mutuel handle for 2011.

2.5% of the pari-mutuel handle 125% or more above the average daily pari-mutuel handle for 2011 up to 150% of the average daily pari-mutuel handle for 2011.

3% of the pari-mutuel handle 150% or more above the average daily pari-mutuel handle for 2011 up to 175% of the average daily pari-mutuel handle for 2011.

3.5% of the pari-mutuel handle 175% or more above the average daily pari-mutuel handle for 2011.

The pari-mutuel tax imposed by this subsection (a-10) shall be remitted to the Board within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes.

(b) On or before December 31, 1999, in the event that any organization licensee conducts 2 separate programs of races on any day, each such program shall be considered a separate racing day for purposes of determining the daily handle and computing the privilege tax on such daily handle as provided in subsection (a) of this Section.

(c) Licensees shall at all times keep accurate books and records of all monies wagered on each day of a race meeting and of the taxes paid to the Department of Revenue under the provisions of this Section. The Board or its duly authorized representative or representatives shall at all reasonable times have access to such records for the purpose of examining and checking the same and ascertaining whether the proper amount of taxes is being paid as provided. The Board shall require verified reports and a statement of the total of all monies wagered daily at each wagering facility upon which the taxes are assessed and may prescribe forms upon which such reports and statement shall be made.

~~(d) Before a license is issued or re-issued, the licensee shall post a bond in the sum of \$500,000 to the State of Illinois. The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps the books and records and makes reports, and conducts games of chance in conformity with this Act and the rules adopted by the Board. The bond shall not be canceled by a surety on less than 30 days' notice in writing to the Board. If a bond is canceled and the licensee fails to file a new bond with the Board in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond. Any licensee failing or refusing to pay the amount of any tax due under this Section shall be guilty of a business offense and upon conviction shall be fined not more than \$5,000 in addition to the amount found due as tax under this Section. Each day's violation shall constitute a separate offense. All fines paid into Court by a licensee hereunder shall be transmitted and paid over by the Clerk of the Court to the Board.~~

(e) No other license fee, privilege tax, excise tax, or racing fee, except as provided in this Act, shall be assessed or collected from any such licensee by the State.

(f) No other license fee, privilege tax, excise tax or racing fee shall be assessed or collected from any such licensee by units of local government except as provided in paragraph 10.1 of subsection (h) and subsection (f) of Section 26 of this Act. However, any municipality that has a Board licensed horse race meeting at a race track wholly within its corporate boundaries or a township that has a Board licensed horse race meeting at a race track wholly within the unincorporated area of the township may charge a local amusement tax not to exceed 10¢ per admission to such horse race meeting by the enactment of an ordinance. However, any municipality or county that has a Board licensed inter-track wagering location facility wholly within its corporate boundaries may each impose an admission fee not to exceed \$1.00 per admission to such inter-track wagering location facility, so that a total of not more than \$2.00 per admission may be imposed. Except as provided in subparagraph (g) of Section 27 of this Act, the inter-track wagering location licensee shall collect any and all such fees and ~~within 48 hours~~ remit the fees to the Board as the Board prescribes, which shall, pursuant to rule, cause the fees to be distributed to the county or municipality.

(g) Notwithstanding any provision in this Act to the contrary, if in any calendar year the total taxes and fees from wagering on live racing and from inter-track wagering required to be collected from licensees and distributed under this Act to all State and local governmental authorities exceeds the amount of such

taxes and fees distributed to each State and local governmental authority to which each State and local governmental authority was entitled under this Act for calendar year 1994, then the first \$11 million of that excess amount shall be allocated at the earliest possible date for distribution as purse money for the succeeding calendar year. Upon reaching the 1994 level, and until the excess amount of taxes and fees exceeds \$11 million, the Board shall direct all licensees to cease paying the subject taxes and fees and the Board shall direct all licensees to allocate any such excess amount for purses as follows:

(i) the excess amount shall be initially divided between thoroughbred and standardbred purses based on the thoroughbred's and standardbred's respective percentages of total Illinois live wagering in calendar year 1994;

(ii) each thoroughbred and standardbred organization licensee issued an organization licensee in that succeeding allocation year shall be allocated an amount equal to the product of its percentage of total Illinois live thoroughbred or standardbred wagering in calendar year 1994 (the total to be determined based on the sum of 1994 on-track wagering for all organization licensees issued organization licenses in both the allocation year and the preceding year) multiplied by the total amount allocated for standardbred or thoroughbred purses, provided that the first \$1,500,000 of the amount allocated to standardbred purses under item (i) shall be allocated to the Department of Agriculture to be expended with the assistance and advice of the Illinois Standardbred Breeders Funds Advisory Board for the purposes listed in subsection (g) of Section 31 of this Act, before the amount allocated to standardbred purses under item (i) is allocated to standardbred organization licensees in the succeeding allocation year.

To the extent the excess amount of taxes and fees to be collected and distributed to State and local governmental authorities exceeds \$11 million, that excess amount shall be collected and distributed to State and local authorities as provided for under this Act.

(Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

(230 ILCS 5/29) (from Ch. 8, par. 37-29)

Sec. 29. (a) After the privilege or pari-mutuel tax established in Sections 26(f), 27, and 27.1 is paid to the State from the monies retained by the organization licensee pursuant to Sections 26, 26.2, and 26.3, the remainder of those monies retained pursuant to Sections 26 and 26.2, except as provided in subsection (g) of Section 27 of this Act, shall be allocated evenly to the organization licensee and as purses.

(b) (Blank).

(c) (Blank).

(d) From the amounts generated for purses from all sources, including, but not limited to, amounts generated from wagering conducted by organization licensees, organization gaming licensees, inter-track wagering licensees, inter-track wagering location licensees, and advance deposit wagering licensees, an organization licensee shall pay to an organization representing the largest number of horse owners and trainers in Illinois, for thoroughbred and standardbred horses that race at the track of the organization licensee, an amount equal to at least 5% of any and all revenue earned by the organization licensee for purses for that calendar year. A contract with the appropriate thoroughbred or standardbred horsemen organization shall be negotiated and signed by the organization licensee before the beginning of each calendar year. Amounts may be used for any legal purpose, including, but not limited to, operational expenses, programs for backstretch workers, retirement plans, diversity scholarships, horse aftercare programs, workers compensation insurance fees, and horse ownership programs. Financial statements highlighting how the funding is spent shall be provided upon request to the organization licensee. The appropriate thoroughbred or standardbred horsemen organization shall make that information available on its website.

~~Each organization licensee and inter-track wagering licensee from the money retained for purses as set forth in subsection (a) of this Section, shall pay to an organization representing the largest number of horse owners and trainers which has negotiated a contract with the organization licensee for such purpose an amount equal to at least 1% of the organization licensee's and inter-track wagering licensee's retention of the pari-mutuel handle for the racing season. Each inter-track wagering location licensee, from the 4% of its handle required to be paid as purses under paragraph (11) of subsection (h) of Section 26 of this Act, shall pay to the contractually established representative organization 2% of that 4%, provided that the payments so made to the organization shall not exceed a total of \$125,000 in any calendar year. Such contract shall be negotiated and signed prior to the beginning of the racing season.~~

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 5/30) (from Ch. 8, par. 37-30)

Sec. 30. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of thoroughbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality thoroughbred horses to participate in thoroughbred racing

meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Act.

(b) Each organization licensee conducting a thoroughbred racing meeting pursuant to this Act shall provide at least two races each day limited to Illinois conceived and foaled horses or Illinois foaled horses or both. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled or Illinois foaled horses or both. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality, and class of Illinois conceived and foaled and Illinois foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Thoroughbred Breeders Fund.

Beginning on the effective date of this amendatory Act of the 101st General Assembly, the Illinois Thoroughbred Breeders Fund shall become a non-appropriated trust fund held separate from State moneys. Expenditures from this Fund shall no longer be subject to appropriation.

Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the monies received by the State as privilege taxes on Thoroughbred racing meetings shall be paid into the Illinois Thoroughbred Breeders Fund.

Notwithstanding any provision of law to the contrary, amounts deposited into the Illinois Thoroughbred Breeders Fund from revenues generated by gaming pursuant to an organization gaming license issued under the Illinois Gambling Act after the effective date of this amendatory Act of the 101st General Assembly shall be in addition to tax and fee amounts paid under this Section for calendar year 2019 and thereafter.

(e) The Illinois Thoroughbred Breeders Fund shall be administered by the Department of Agriculture with the advice and assistance of the Advisory Board created in subsection (f) of this Section.

(f) The Illinois Thoroughbred Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; 2 representatives of the organization licensees conducting thoroughbred racing meetings, recommended by them; 2 representatives of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by it; one representative and 2 representatives of the Horsemen's Benevolent Protective Association ; and one representative from the Illinois Thoroughbred Horsemen's Association or any successor organization established in Illinois comprised of the largest number of owners and trainers, recommended by it, with one representative of the Horsemen's Benevolent and Protective Association to come from its Illinois Division, and one from its Chicago Division. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives of the organization licensees conducting thoroughbred racing meetings, the Illinois Thoroughbred Breeders and Owners Foundation, and the Horsemen's Benevolent Protection Association , and the Illinois Thoroughbred Horsemen's Association have not been recommended by January 1, of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) ~~No monies shall be expended from the Illinois Thoroughbred Breeders Fund except as appropriated by the General Assembly.~~ Monies ~~expended~~ appropriated from the Illinois Thoroughbred Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, for the following purposes only:

(1) To provide purse supplements to owners of horses participating in races limited to Illinois conceived and foaled and Illinois foaled horses. Any such purse supplements shall not be included in and shall be paid in addition to any purses, stakes, or breeders' awards offered by each organization licensee as determined by agreement between such organization licensee and an organization representing the horsemen. No monies from the Illinois Thoroughbred Breeders Fund shall be used to provide purse supplements for claiming races in which the minimum claiming price is less than \$7,500.

(2) To provide stakes and awards to be paid to the owners of the winning horses in certain races limited to Illinois conceived and foaled and Illinois foaled horses designated as stakes races.

(2.5) To provide an award to the owner or owners of an Illinois conceived and foaled or

Illinois foaled horse that wins a maiden special weight, an allowance, overnight handicap race, or claiming race with claiming price of \$10,000 or more providing the race is not restricted to Illinois conceived and foaled or Illinois foaled horses. Awards shall also be provided to the owner or owners of Illinois conceived and foaled and Illinois foaled horses that place second or third in those races. To the extent that additional moneys are required to pay the minimum additional awards of 40% of the purse the horse earns for placing first, second or third in those races for Illinois foaled horses and of 60% of the purse the horse earns for placing first, second or third in those races for Illinois conceived and foaled horses, those moneys shall be provided from the purse account at the track where earned.

(3) To provide stallion awards to the owner or owners of any stallion that is duly registered with the Illinois Thoroughbred Breeders Fund Program ~~prior to the effective date of this amendatory Act of 1995~~ whose duly registered Illinois conceived and foaled offspring wins a race conducted at an Illinois thoroughbred racing meeting other than a claiming race, provided that the stallion stood service within Illinois at the time the offspring was conceived and that the stallion did not stand for service outside of Illinois at any time during the year in which the offspring was conceived. ~~Such award shall not be paid to the owner or owners of an Illinois stallion that served outside this State at any time during the calendar year in which such race was conducted.~~

(4) To provide \$75,000 annually for purses to be distributed to county fairs that provide for the running of races during each county fair exclusively for the thoroughbreds conceived and foaled in Illinois. The conditions of the races shall be developed by the county fair association and reviewed by the Department with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. There shall be no wagering of any kind on the running of Illinois conceived and foaled races at county fairs.

(4.1) To provide purse money for an Illinois stallion stakes program.

(5) No less than 90% ~~80%~~ of all monies expended ~~appropriated~~ from the Illinois Thoroughbred Breeders Fund shall be expended for the purposes in (1), (2), (2.5), (3), (4), (4.1), and (5) as shown above.

(6) To provide for educational programs regarding the thoroughbred breeding industry.

(7) To provide for research programs concerning the health, development and care of the thoroughbred horse.

(8) To provide for a scholarship and training program for students of equine veterinary medicine.

(9) To provide for dissemination of public information designed to promote the breeding of thoroughbred horses in Illinois.

(10) To provide for all expenses incurred in the administration of the Illinois Thoroughbred Breeders Fund.

(h) The Illinois Thoroughbred Breeders Fund is not subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act. Whenever the Governor finds that the amount in the Illinois Thoroughbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Thoroughbred Breeders Fund to the General Revenue Fund.

(i) A sum equal to 13% of the first prize money of every purse won by an Illinois foaled or Illinois conceived and foaled horse in races not limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid 50% from the organization licensee's share of the money wagered and 50% from the purse account as follows: 11 1/2% to the breeder of the winning horse and 1 1/2% to the organization representing thoroughbred breeders and owners who representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. Beginning in the calendar year in which an organization licensee that is eligible to receive payments under paragraph (13) of subsection (g) of Section 26 of this Act begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, a sum equal to 21 1/2% of the first prize money of every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to an Illinois conceived and foaled horse, or both, shall be paid 30% from the organization licensee's account and 70% from the purse account as follows: 20% to the breeder of the winning horse and 1 1/2% to the organization representing thoroughbred breeders and owners whose representatives serve on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their distribution in accordance with this Act, and servicing and promoting the Illinois Thoroughbred racing industry. A sum equal to 12 1/2% of the first prize money

of every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid from the organization licensee's share of the money wagered as follows: 11 1/2% to the breeder of the winning horse and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (i) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies. Such payments shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards under this subsection to verify accuracy of payments and assure proper distribution of breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(j) A sum equal to 13% of the first prize money won in every race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid in the following manner by the organization licensee conducting the horse race meeting, 50% from the organization licensee's share of the money wagered and 50% from the purse account as follows: 11 1/2% to the breeders of the horses in each such race which are the official first, second, third, and fourth finishers and 1 1/2% to the organization representing thoroughbred breeders and owners whose representatives serve on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois horse racing industry. Beginning in the calendar year in which an organization licensee that is eligible to receive payments under paragraph (13) of subsection (g) of Section 26 of this Act begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, a sum of 21 1/2% of every purse in a race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid 30% from the organization licensee's account and 70% from the purse account as follows: 20% to the breeders of the horses in each such race who are official first, second, third and fourth finishers and 1 1/2% to the organization representing thoroughbred breeders and owners whose representatives serve on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of moneys received under this subsection (j) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies. The copies of the audit to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct. A sum equal to 12 1/2% of the first prize money won in each race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid in the following manner by the organization licensee conducting the horse race meeting, from the organization licensee's share of the money wagered: 11 1/2% to the breeders of the horses in each such race which are the official first, second, third and fourth finishers and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (j) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies.

The amounts ~~11 1/2%~~ paid to the breeders in accordance with this subsection shall be distributed as follows:

- (1) 60% of such sum shall be paid to the breeder of the horse which finishes in the official first position;
- (2) 20% of such sum shall be paid to the breeder of the horse which finishes in the official second position;
- (3) 15% of such sum shall be paid to the breeder of the horse which finishes in the official third position; and
- (4) 5% of such sum shall be paid to the breeder of the horse which finishes in the official fourth position.

Such payments shall not reduce any award to the owners of a horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(k) The term "breeder", as used herein, means the owner of the mare at the time the foal is dropped. An "Illinois foaled horse" is a foal dropped by a mare which enters this State on or before December 1, in the year in which the horse is bred, provided the mare remains continuously in this State until its foal is born. An "Illinois foaled horse" also means a foal born of a mare in the same year as the mare enters this State on or before March 1, and remains in this State at least 30 days after foaling, is bred back during the season of the foaling to an Illinois Registered Stallion (unless a veterinarian certifies that the mare should not be bred for health reasons), and is not bred to a stallion standing in any other state during the season of foaling. An "Illinois foaled horse" also means a foal born in Illinois of a mare purchased at public auction subsequent to the mare entering this State on or before March 1 ~~prior to February 1~~ of the foaling year providing the mare is owned solely by one or more Illinois residents or an Illinois entity that is entirely owned by one or more Illinois residents.

(l) The Department of Agriculture shall, by rule, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board:

- (1) Qualify stallions for Illinois breeding; such stallions to stand for service within

the State of Illinois at the time of a foal's conception. Such stallion must not stand for service at any place outside the State of Illinois during the calendar year in which the foal is conceived. The Department of Agriculture may assess and collect an application fee of up to \$500 fees for the registration of Illinois-eligible stallions. All fees collected are to be held in trust accounts for the purposes set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law paid into the Illinois Thoroughbred Breeders Fund.

- (2) Provide for the registration of Illinois conceived and foaled horses and Illinois

foaled horses. No such horse shall compete in the races limited to Illinois conceived and foaled horses or Illinois foaled horses or both unless registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as are necessary to determine the eligibility of such horses. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible foals. All fees collected are to be held in trust accounts for the purposes set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law paid into the Illinois Thoroughbred Breeders Fund. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information.

(m) The Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, shall provide that certain races limited to Illinois conceived and foaled and Illinois foaled horses be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

In determining the stakes races and the amount of awards for such races, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, organization licensees' contributions, availability of stakes caliber horses as demonstrated by past performances, whether the race can be coordinated into the proposed racing dates within organization licensees' racing dates, opportunity for colts and fillies and various age groups to race, public wagering on such races, and the previous racing schedule.

(n) The Board and the organization ~~organizational~~ licensee shall notify the Department of the conditions and minimum purses for races limited to Illinois conceived and foaled and Illinois foaled horses conducted for each organization ~~organizational~~ licensee conducting a thoroughbred racing meeting. The Department

of Agriculture with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, the number of races that may occur, and the ~~organization~~ organizational licensee's purse structure.

(o) (Blank).

(Source: P.A. 98-692, eff. 7-1-14.)

(230 ILCS 5/30.5)

Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

(a) The General Assembly declares that it is the policy of this State to encourage the breeding of racing quarter horses in this State and the ownership of such horses by residents of this State in order to provide for sufficient numbers of high quality racing quarter horses in this State and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Act.

(b) There is hereby created a special fund in the State Treasury to be known as the Illinois Racing Quarter Horse Breeders Fund. Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the moneys received by the State as pari-mutuel taxes on quarter horse racing shall be paid into the Illinois Racing Quarter Horse Breeders Fund. The Illinois Racing Quarter Horse Breeders Fund shall not be subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act.

(c) The Illinois Racing Quarter Horse Breeders Fund shall be administered by the Department of Agriculture with the advice and assistance of the Advisory Board created in subsection (d) of this Section.

(d) The Illinois Racing Quarter Horse Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; one representative of the organization licensees conducting pari-mutuel quarter horse racing meetings, recommended by them; 2 representatives of the Illinois Running Quarter Horse Association, recommended by it; and the Superintendent of Fairs and Promotions from the Department of Agriculture. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives have not been recommended by January 1 of each odd numbered year, the Director of the Department of Agriculture may make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but may be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(e) ~~Moneys in No moneys shall be expended from the Illinois Racing Quarter Horse Breeders Fund except as appropriated by the General Assembly. Moneys appropriated from the Illinois Racing Quarter Horse Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board, for the following purposes only:~~

(1) To provide stakes and awards to be paid to the owners of the winning horses in certain races. This provision is limited to Illinois conceived and foaled horses.

(2) To provide an award to the owner or owners of an Illinois conceived and foaled horse that wins a race when pari-mutuel wagering is conducted; providing the race is not restricted to Illinois conceived and foaled horses.

(3) To provide purse money for an Illinois stallion stakes program.

(4) To provide for purses to be distributed for the running of races during the Illinois State Fair and the DuQuoin State Fair exclusively for quarter horses conceived and foaled in Illinois.

(5) To provide for purses to be distributed for the running of races at Illinois county fairs exclusively for quarter horses conceived and foaled in Illinois.

(6) To provide for purses to be distributed for running races exclusively for quarter horses conceived and foaled in Illinois at locations in Illinois determined by the Department of Agriculture with advice and consent of the Illinois Racing Quarter Horse Breeders Fund Advisory Board.

(7) No less than 90% of all moneys appropriated from the Illinois Racing Quarter Horse Breeders Fund shall be expended for the purposes in items (1), (2), (3), (4), and (5) of this subsection (e).

(8) To provide for research programs concerning the health, development, and care of racing quarter horses.

(9) To provide for dissemination of public information designed to promote the breeding of racing quarter horses in Illinois.

(10) To provide for expenses incurred in the administration of the Illinois Racing

Quarter Horse Breeders Fund.

(f) The Department of Agriculture shall, by rule, with the advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board:

(1) Qualify stallions for Illinois breeding; such stallions to stand for service within the State of Illinois, at the time of a foal's conception. Such stallion must not stand for service at any place outside the State of Illinois during the calendar year in which the foal is conceived. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible stallions. All fees collected are to be paid into the Illinois Racing Quarter Horse Breeders Fund.

(2) Provide for the registration of Illinois conceived and foaled horses. No such horse shall compete in the races limited to Illinois conceived and foaled horses unless it is registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as are necessary to determine the eligibility of such horses. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible foals. All fees collected are to be paid into the Illinois Racing Quarter Horse Breeders Fund. No person shall knowingly prepare or cause preparation of an application for registration of such foals that contains false information.

(g) The Department of Agriculture, with the advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board, shall provide that certain races limited to Illinois conceived and foaled be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

(Source: P.A. 98-463, eff. 8-16-13.)

(230 ILCS 5/31) (from Ch. 8, par. 37-31)

Sec. 31. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of standardbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality standardbred horses to participate in harness racing meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Section of this Act.

(b) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide for at least two races each race program limited to Illinois conceived and foaled horses. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled horses. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

(b-5) Organization licensees, not including the Illinois State Fair or the DuQuoin State Fair, shall provide stake races and early closer races for Illinois conceived and foaled horses so that purses distributed for such races shall be no less than 17% of total purses distributed for harness racing in that calendar year in addition to any stakes payments and starting fees contributed by horse owners.

(b-10) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide an owner award to be paid from the purse account equal to 12% of the amount earned by Illinois conceived and foaled horses finishing in the first 3 positions in races that are not restricted to Illinois conceived and foaled horses. The owner awards shall not be paid on races below the \$10,000 claiming class.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality and class of Illinois conceived and foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Standardbred Breeders Fund. Beginning on the effective date of this amendatory Act of the 101st General Assembly, the Illinois Standardbred Breeders Fund shall become a non-appropriated trust fund held separate and apart from State moneys. Expenditures from this Fund shall no longer be subject to appropriation.

During the calendar year 1981, and each year thereafter, except as provided in subsection (g) of Section 27 of this Act, eight and one-half per cent of all the monies received by the State as privilege taxes on harness racing meetings shall be paid into the Illinois Standardbred Breeders Fund.

(e) Notwithstanding any provision of law to the contrary, amounts deposited into the Illinois Standardbred Breeders Fund from revenues generated by gaming pursuant to an organization gaming license issued under the Illinois Gambling Act after the effective date of this amendatory Act of the 101st General Assembly shall be in addition to tax and fee amounts paid under this Section for calendar year 2019 and thereafter. The Illinois Standardbred Breeders Fund shall be administered by the Department of Agriculture with the assistance and advice of the Advisory Board created in subsection (f) of this Section.

(f) The Illinois Standardbred Breeders Fund Advisory Board is hereby created. The Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; the Superintendent of the Illinois State Fair; a member of the Illinois Racing Board, designated by it; a

representative of the largest association of Illinois standardbred owners and breeders, recommended by it; a representative of a statewide association representing agricultural fairs in Illinois, recommended by it, such representative to be from a fair at which Illinois conceived and foaled racing is conducted; a representative of the organization licensees conducting harness racing meetings, recommended by them; a representative of the Breeder's Committee of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, recommended by it; and a representative of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, recommended by it. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives of the largest association of Illinois standardbred owners and breeders, a statewide association of agricultural fairs in Illinois, the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, a member of the Breeder's Committee of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, and the organization licensees conducting harness racing meetings have not been recommended by January 1 of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) ~~No monies shall be expended from the Illinois Standardbred Breeders Fund except as appropriated by the General Assembly.~~ Monies ~~expended~~ appropriated from the Illinois Standardbred Breeders Fund shall be expended by the Department of Agriculture, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board for the following purposes only:

1. To provide purses for races limited to Illinois conceived and foaled horses at the State Fair ~~and the DuQuoin State Fair.~~
2. To provide purses for races limited to Illinois conceived and foaled horses at county fairs.
3. To provide purse supplements for races limited to Illinois conceived and foaled horses conducted by associations conducting harness racing meetings.
4. No less than 75% of all monies in the Illinois Standardbred Breeders Fund shall be expended for purses in 1, 2 and 3 as shown above.
5. In the discretion of the Department of Agriculture to provide awards to harness breeders of Illinois conceived and foaled horses which win races conducted by organization licensees conducting harness racing meetings. A breeder is the owner of a mare at the time of conception. No more than 10% of all monies appropriated from the Illinois Standardbred Breeders Fund shall be expended for such harness breeders awards. No more than 25% of the amount expended for harness breeders awards shall be expended for expenses incurred in the administration of such harness breeders awards.
6. To pay for the improvement of racing facilities located at the State Fair and County fairs.
7. To pay the expenses incurred in the administration of the Illinois Standardbred Breeders Fund.
8. To promote the sport of harness racing, including grants up to a maximum of \$7,500 per fair per year for conducting pari-mutuel wagering during the advertised dates of a county fair.
9. To pay up to \$50,000 annually for the Department of Agriculture to conduct drug testing at county fairs racing standardbred horses.

(h) ~~The Illinois Standardbred Breeders Fund is not subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act. Whenever the Governor finds that the amount in the Illinois Standardbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Standardbred Breeders Fund to the General Revenue Fund.~~

(i) A sum equal to 13% ~~12-1/2%~~ of the first prize money of the gross every purse won by an Illinois conceived and foaled horse shall be paid 50% by the organization licensee conducting the horse race meeting to the breeder of such winning horse from the organization licensee's account and 50% from the purse account of the licensee ~~share of the money wagered~~. Such payment shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Such payment shall be delivered by the organization licensee at the end of each quarter race meeting.

(j) The Department of Agriculture shall, by rule, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board:

1. Qualify stallions for Illinois Standardbred Breeders Fund breeding: such stallion shall be owned by a resident of the State of Illinois or by an Illinois corporation all of whose shareholders, directors, officers and incorporators are residents of the State of Illinois. Such stallion shall stand for service at and within the State of Illinois at the time of a foal's conception, and such stallion must not stand for service at any place, nor may semen from such stallion be transported, outside the State of Illinois during that calendar year in which the foal is conceived and that the owner of the stallion was for the 12 months prior, a resident of Illinois. However, from January 1, 2018 until January 1, 2022, semen from an Illinois stallion may be transported outside the State of Illinois. The articles of agreement of any partnership, joint venture, limited partnership, syndicate, association or corporation and any bylaws and stock certificates must contain a restriction that provides that the ownership or transfer of interest by any one of the persons a party to the agreement can only be made to a person who qualifies as an Illinois resident.

2. Provide for the registration of Illinois conceived and foaled horses and no such horse shall compete in the races limited to Illinois conceived and foaled horses unless registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as may be necessary to determine the eligibility of such horses. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information. A mare (dam) must be in the State at least 30 days prior to foaling or remain in the State at least 30 days at the time of foaling. However, the requirement that a mare (dam) must be in the State at least 30 days before foaling or remain in the State at least 30 days at the time of foaling shall not be in effect from January 1, 2018 until January 1, 2022. Beginning with the 1996 breeding season and for foals of 1997 and thereafter, a foal conceived by transported semen may be eligible for Illinois conceived and foaled registration provided all breeding and foaling requirements are met. The stallion must be qualified for Illinois Standardbred Breeders Fund breeding at the time of conception and the mare must be inseminated within the State of Illinois. The foal must be dropped in Illinois and properly registered with the Department of Agriculture in accordance with this Act. However, from January 1, 2018 until January 1, 2022, the requirement for a mare to be inseminated within the State of Illinois and the requirement for a foal to be dropped in Illinois are inapplicable.

3. Provide that at least a 5 day racing program shall be conducted at the State Fair each year, which program shall include at least the following races limited to Illinois conceived and foaled horses: (a) a two year old Trot and Pace, and Filly Division of each; (b) a three year old Trot and Pace, and Filly Division of each; (c) an aged Trot and Pace, and Mare Division of each.

4. Provide for the payment of nominating, sustaining and starting fees for races promoting the sport of harness racing and for the races to be conducted at the State Fair as provided in subsection (j) 3 of this Section provided that the nominating, sustaining and starting payment required from an entrant shall not exceed 2% of the purse of such race. All nominating, sustaining and starting payments shall be held for the benefit of entrants and shall be paid out as part of the respective purses for such races. Nominating, sustaining and starting fees shall be held in trust accounts for the purposes as set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law (20 ILCS 205/205-15).

5. Provide for the registration with the Department of Agriculture of Colt Associations or county fairs desiring to sponsor races at county fairs.

6. Provide for the promotion of producing standardbred racehorses by providing a bonus award program for owners of 2-year-old horses that win multiple major stakes races that are limited to Illinois conceived and foaled horses.

(k) The Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board, may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Standardbred Breeders Fund program, the number of races that may occur, and an organization ~~organizational~~ licensee's purse structure. The organization ~~organizational~~ licensee shall notify the Department of Agriculture of the conditions and minimum purses for races limited to Illinois conceived and foaled horses to be conducted by each organization ~~organizational~~ licensee conducting a harness racing meeting for which purse supplements have been negotiated.

(l) All races held at county fairs and the State Fair which receive funds from the Illinois Standardbred Breeders Fund shall be conducted in accordance with the rules of the United States Trotting Association unless otherwise modified by the Department of Agriculture.

(m) At all standardbred race meetings held or conducted under authority of a license granted by the Board, and at all standardbred races held at county fairs which are approved by the Department of

Agriculture or at the Illinois or DuQuoin State Fairs, no one shall jog, train, warm up or drive a standardbred horse unless he or she is wearing a protective safety helmet, with the chin strap fastened and in place, which meets the standards and requirements as set forth in the 1984 Standard for Protective Headgear for Use in Harness Racing and Other Equestrian Sports published by the Snell Memorial Foundation, or any standards and requirements for headgear the Illinois Racing Board may approve. Any other standards and requirements so approved by the Board shall equal or exceed those published by the Snell Memorial Foundation. Any equestrian helmet bearing the Snell label shall be deemed to have met those standards and requirements.

(Source: P.A. 99-756, eff. 8-12-16; 100-777, eff. 8-10-18.)

(230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

Sec. 31.1. (a) ~~Unless subsection (a-5) applies, organization~~ ~~Organization~~ licensees collectively shall contribute annually to charity the sum of \$750,000 to non-profit organizations that provide medical and family, counseling, and similar services to persons who reside or work on the backstretch of Illinois racetracks. ~~Unless subsection (a-5) applies, these~~ ~~These~~ contributions shall be collected as follows: (i) no later than July 1st of each year the Board shall assess each organization licensee, except those tracks ~~located in Madison County, which are not within 100 miles of each other~~ which tracks shall pay \$30,000 annually apiece into the Board charity fund, that amount which equals \$690,000 multiplied by the amount of pari-mutuel wagering handled by the organization licensee in the year preceding assessment and divided by the total pari-mutuel wagering handled by all Illinois organization licensees, except those tracks ~~located in Madison and Rock Island counties which are not within 100 miles of each other~~, in the year preceding assessment; (ii) notice of the assessed contribution shall be mailed to each organization licensee; (iii) within thirty days of its receipt of such notice, each organization licensee shall remit the assessed contribution to the Board. ~~Unless subsection (a-5) applies, if an organization licensee commences operation of gaming at its facility pursuant to an organization gaming license under the Illinois Gambling Act, then the organization licensee shall contribute an additional \$83,000 per year beginning in the year subsequent to the first year in which the organization licensee begins receiving funds from gaming pursuant to an organization gaming license.~~ If an organization licensee wilfully fails to so remit the contribution, the Board may revoke its license to conduct horse racing.

~~(a-5) If (1) an organization licensee that did not operate live racing in 2017 is awarded racing dates in 2018 or in any subsequent year and (2) all organization licensees are operating gaming pursuant to an organization gaming license under the Illinois Gambling Act, then subsection (a) does not apply and organization licensees collectively shall contribute annually to charity the sum of \$1,000,000 to non-profit organizations that provide medical and family, counseling, and similar services to persons who reside or work on the backstretch of Illinois racetracks. These contributions shall be collected as follows: (i) no later than July 1st of each year the Board shall assess each organization licensee an amount based on the proportionate amount of live racing days in the calendar year for which the Board has awarded to the organization licensee out of the total aggregate number of live racing days awarded; (ii) notice of the assessed contribution shall be mailed to each organization licensee; (iii) within 30 days after its receipt of such notice, each organization licensee shall remit the assessed contribution to the Board. If an organization licensee willfully fails to so remit the contribution, the Board may revoke its license to conduct horse racing.~~

(b) No later than October 1st of each year, any qualified charitable organization seeking an allotment of contributed funds shall submit to the Board an application for those funds, using the Board's approved form. No later than December 31st of each year, the Board shall distribute all such amounts collected that year to such charitable organization applicants.

(Source: P.A. 87-110.)

(230 ILCS 5/32.1)

Sec. 32.1. Pari-mutuel tax credit; statewide racetrack real estate equalization.

(a) In order to encourage new investment in Illinois racetrack facilities and mitigate differing real estate tax burdens among all racetracks, the licensees affiliated or associated with each racetrack that has been awarded live racing dates in the current year shall receive an immediate pari-mutuel tax credit in an amount equal to the greater of (i) 50% of the amount of the real estate taxes paid in the prior year attributable to that racetrack, or (ii) the amount by which the real estate taxes paid in the prior year attributable to that racetrack exceeds 60% of the average real estate taxes paid in the prior year for all racetracks awarded live horse racing meets in the current year.

Each year, regardless of whether the organization licensee conducted live racing in the year of certification, the Board shall certify in writing, prior to December 31, the real estate taxes paid in that year for each racetrack and the amount of the pari-mutuel tax credit that each organization licensee, inter-track wagering licensee, and inter-track wagering location licensee that derives its license from such racetrack

is entitled in the succeeding calendar year. The real estate taxes considered under this Section for any racetrack shall be those taxes on the real estate parcels and related facilities used to conduct a horse race meeting and inter-track wagering at such racetrack under this Act. In no event shall the amount of the tax credit under this Section exceed the amount of pari-mutuel taxes otherwise calculated under this Act. The amount of the tax credit under this Section shall be retained by each licensee and shall not be subject to any reallocation or further distribution under this Act. The Board may promulgate emergency rules to implement this Section.

(b) If the organization licensee is operating gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, except the organization licensee described in Section 19.5, then, for the 5-year period beginning on the January 1 of the calendar year immediately following the calendar year during which an organization licensee begins conducting gaming operations pursuant to an organization gaming license issued under the Illinois Gambling Act, the organization licensee shall make capital expenditures, in an amount equal to no less than 50% of the tax credit under this Section, to the improvement and maintenance of the backstretch, including, but not limited to, backstretch barns, dormitories, and services for backstretch workers. Those capital expenditures must be in addition to, and not in lieu of, the capital expenditures made for backstretch improvements in calendar year 2015, as reported to the Board in the organization licensee's application for racing dates and as certified by the Board. The organization licensee is required to annually submit the list and amounts of these capital expenditures to the Board by January 30th of the year following the expenditure.

(c) If the organization licensee is conducting gaming in accordance with paragraph (b), then, after the 5-year period beginning on January 1 of the calendar year immediately following the calendar year during which an organization licensee begins conducting gaming operations pursuant to an organization gaming license issued under the Illinois Gambling Act, the organization license is ineligible to receive a tax credit under this Section.

(Source: P.A. 100-201, eff. 8-18-17.)

(230 ILCS 5/34.3 new)

Sec. 34.3. Drug testing. The Illinois Racing Board and the Department of Agriculture shall jointly establish a program for the purpose of conducting drug testing of horses at county fairs and shall adopt any rules necessary for enforcement of the program. The rules shall include appropriate penalties for violations.

(230 ILCS 5/36) (from Ch. 8, par. 37-36)

Sec. 36. (a) Whoever administers or conspires to administer to any horse a hypnotic, narcotic, stimulant, depressant or any chemical substance which may affect the speed of a horse at any time in any race where the purse or any part of the purse is made of money authorized by any Section of this Act, except those chemical substances permitted by ruling of the Board, internally, externally or by hypodermic method in a race or prior thereto, or whoever knowingly enters a horse in any race within a period of 24 hours after any hypnotic, narcotic, stimulant, depressant or any other chemical substance which may affect the speed of a horse at any time, except those chemical substances permitted by ruling of the Board, has been administered to such horse either internally or externally or by hypodermic method for the purpose of increasing or retarding the speed of such horse shall be guilty of a Class 4 felony. The Board shall suspend or revoke such violator's license.

(b) The term "hypnotic" as used in this Section includes all barbituric acid preparations and derivatives.

(c) The term "narcotic" as used in this Section includes opium and all its alkaloids, salts, preparations and derivatives, cocaine and all its salts, preparations and derivatives and substitutes.

(d) The provisions of this Section and the treatment authorized in this Section apply to horses entered in and competing in race meetings as defined in Section 3.07 of this Act and to horses entered in and competing at any county fair.

(Source: P.A. 79-1185.)

(230 ILCS 5/40) (from Ch. 8, par. 37-40)

Sec. 40. (a) The imposition of any fine or penalty provided in this Act shall not preclude the Board in its rules and regulations from imposing a fine or penalty for any other action which, in the Board's discretion, is a detriment or impediment to horse racing.

(b) The Director of Agriculture or his or her authorized representative shall impose the following monetary penalties and hold administrative hearings as required for failure to submit the following applications, lists, or reports within the time period, date or manner required by statute or rule or for removing a foal from Illinois prior to inspection:

(1) late filing of a renewal application for offering or standing stallion for service:

(A) if an application is submitted no more than 30 days late, \$50;

(B) if an application is submitted no more than 45 days late, \$150; or

(C) if an application is submitted more than 45 days late, if filing of the application is allowed under an administrative hearing, \$250;

(2) late filing of list or report of mares bred:

(A) if a list or report is submitted no more than 30 days late, \$50;

(B) if a list or report is submitted no more than 60 days late, \$150; or

(C) if a list or report is submitted more than 60 days late, if filing of the list or report is allowed under an administrative hearing, \$250;

(3) filing an Illinois foaled thoroughbred mare status report after the statutory deadline as provided in subsection (k) of Section 30 of this Act ~~December 31:~~

(A) if a report is submitted no more than 30 days late, \$50;

(B) if a report is submitted no more than 90 days late, \$150;

(C) if a report is submitted no more than 150 days late, \$250; or

(D) if a report is submitted more than 150 days late, if filing of the report is allowed under an administrative hearing, \$500;

(4) late filing of application for foal eligibility certificate:

(A) if an application is submitted no more than 30 days late, \$50;

(B) if an application is submitted no more than 90 days late, \$150;

(C) if an application is submitted no more than 150 days late, \$250; or

(D) if an application is submitted more than 150 days late, if filing of the application is allowed under an administrative hearing, \$500;

(5) failure to report the intent to remove a foal from Illinois prior to inspection, identification and certification by a Department of Agriculture investigator, \$50; and

(6) if a list or report of mares bred is incomplete, \$50 per mare not included on the list or report.

Any person upon whom monetary penalties are imposed under this Section 3 times within a 5-year period shall have any further monetary penalties imposed at double the amounts set forth above. All monies assessed and collected for violations relating to thoroughbreds shall be paid into the Illinois Thoroughbred Breeders Fund. All monies assessed and collected for violations relating to standardbreds shall be paid into the Illinois Standardbred Breeders Fund.

(Source: P.A. 99-933, eff. 1-27-17; 100-201, eff. 8-18-17.)

(230 ILCS 5/54.75)

Sec. 54.75. Horse Racing Equity Trust Fund.

(a) There is created a Fund to be known as the Horse Racing Equity Trust Fund, which is a non-appropriated trust fund held separate and apart from State moneys. The Fund shall consist of moneys paid into it by owners licensees under the Illinois Riverboat ~~Gambling~~ Act for the purposes described in this Section. The Fund shall be administered by the Board. Moneys in the Fund shall be distributed as directed and certified by the Board in accordance with the provisions of subsection (b).

(b) The moneys deposited into the Fund, plus any accrued interest on those moneys, shall be distributed within 10 days after those moneys are deposited into the Fund as follows:

(1) Sixty percent of all moneys distributed under this subsection shall be distributed

to organization licensees to be distributed at their race meetings as purses. Fifty-seven percent of the amount distributed under this paragraph (1) shall be distributed for thoroughbred race meetings and 43% shall be distributed for standardbred race meetings. Within each breed, moneys shall be allocated to each organization licensee's purse fund in accordance with the ratio between the purses generated for that breed by that licensee during the prior calendar year and the total purses generated throughout the State for that breed during the prior calendar year by licensees in the current calendar year.

(2) The remaining 40% of the moneys distributed under this subsection (b) shall be distributed as follows:

(A) 11% shall be distributed to any person (or its successors or assigns) who had operating control of a racetrack that conducted live racing in 2002 at a racetrack in a county with at least 230,000 inhabitants that borders the Mississippi River and is a licensee in the current year; and

(B) the remaining 89% shall be distributed pro rata according to the aggregate proportion of total handle from wagering on live races conducted in Illinois (irrespective of where the wagers are placed) for calendar years 2004 and 2005 to any person (or its successors or assigns) who (i) had majority operating control of a racing facility at which live racing was conducted in calendar year 2002, (ii) is a licensee in the current year, and (iii) is not eligible to receive moneys under subparagraph (A) of this paragraph (2).

The moneys received by an organization licensee under this paragraph (2) shall be

used by each organization licensee to improve, maintain, market, and otherwise operate its racing facilities to conduct live racing, which shall include backstretch services and capital improvements related to live racing and the backstretch. Any organization licensees sharing common ownership may pool the moneys received and spent at all racing facilities commonly owned in order to meet these requirements.

If any person identified in this paragraph (2) becomes ineligible to receive moneys from the Fund, such amount shall be redistributed among the remaining persons in proportion to their percentages otherwise calculated.

(c) The Board shall monitor organization licensees to ensure that moneys paid to organization licensees under this Section are distributed by the organization licensees as provided in subsection (b).

(Source: P.A. 95-1008, eff. 12-15-08.)

(230 ILCS 5/56 new)

Sec. 56. Gaming pursuant to an organization gaming license.

(a) A person, firm, corporation, partnership, or limited liability company having operating control of a racetrack may apply to the Gaming Board for an organization gaming license. An organization gaming license shall authorize its holder to conduct gaming on the grounds of the racetrack of which the organization gaming licensee has operating control. Only one organization gaming license may be awarded for any racetrack. A holder of an organization gaming license shall be subject to the Illinois Gambling Act and rules of the Illinois Gaming Board concerning gaming pursuant to an organization gaming license issued under the Illinois Gambling Act. If the person, firm, corporation, or limited liability company having operating control of a racetrack is found by the Illinois Gaming Board to be unsuitable for an organization gaming license under the Illinois Gambling Act and rules of the Gaming Board, that person, firm, corporation, or limited liability company shall not be granted an organization gaming license. Each license shall specify the number of gaming positions that its holder may operate.

An organization gaming licensee may not permit patrons under 21 years of age to be present in its organization gaming facility, but the licensee may accept wagers on live racing and inter-track wagers at its organization gaming facility.

(b) For purposes of this subsection, "adjusted gross receipts" means an organization gaming licensee's gross receipts less winnings paid to wagerers and shall also include any amounts that would otherwise be deducted pursuant to subsection (a-9) of Section 13 of the Illinois Gambling Act. The adjusted gross receipts by an organization gaming licensee from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act remaining after the payment of taxes under Section 13 of the Illinois Gambling Act shall be distributed as follows:

(1) Amounts shall be paid to the purse account at the track at which the organization licensee is conducting racing equal to the following:

12.75% of annual adjusted gross receipts up to and including \$93,000,000;

20% of annual adjusted gross receipts in excess of \$93,000,000 but not exceeding \$100,000,000;

26.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$125,000,000; and

20.5% of annual adjusted gross receipts in excess of \$125,000,000.

If 2 different breeds race at the same racetrack in the same calendar year, the purse moneys allocated under this subsection (b) shall be divided pro rata based on live racing days awarded by the Board to that race track for each breed. However, the ratio may not exceed 60% for either breed, except if one breed is awarded fewer than 20 live racing days, in which case the purse moneys allocated shall be divided pro rata based on live racing days.

(2) The remainder shall be retained by the organization gaming licensee.

(c) Annually, from the purse account of the organization licensee racing thoroughbred horses in this State, except for in Madison County, an amount equal to 12% of the gaming receipts from gaming pursuant to an organization gaming license placed into the purse accounts shall be paid to the Illinois Thoroughbred Breeders Fund and shall be used for owner awards; a stallion program pursuant to paragraph (3) of subsection (g) of Section 30 of this Act; and Illinois conceived and foaled stakes races pursuant to paragraph (2) of subsection (g) of Section 30 of this Act, as specifically designated by the horsemen association representing the largest number of owners and trainers who race at the organization licensee's race meetings.

Annually, from the purse account of an organization licensee racing thoroughbred horses in Madison County, an amount equal to 10% of the gaming receipts from gaming pursuant to an organization gaming license placed into the purse accounts shall be paid to the Illinois Thoroughbred Breeders Fund and shall be used for owner awards; a stallion program pursuant to paragraph (3) of subsection (g) of Section 30 of this Act; and Illinois conceived and foaled stakes races pursuant to paragraph (2) of subsection (g) of

Section 30 of this Act, as specifically designated by the horsemen association representing the largest number of owners and trainers who race at the organization licensee's race meetings.

Annually, from the amounts generated for purses from all sources, including, but not limited to, amounts generated from wagering conducted by organization licensees, organization gaming licensees, inter-track wagering licensees, inter-track wagering locations licensees, and advance deposit wagering licensees, or an organization licensee to the purse account of an organization licensee conducting thoroughbred races at a track in Madison County, an amount equal to 10% of adjusted gross receipts as defined in subsection (b) of this Section shall be paid to the horsemen association representing the largest number of owners and trainers who race at the organization licensee's race meets, to be used for operational expenses and may be also used for after care programs for retired thoroughbred race horses, backstretch laundry and kitchen facilities, a health insurance or retirement program, the Future Farmers of America, and such other programs.

Annually, from the purse account of organization licensees conducting thoroughbred races at racetracks in Cook County, \$100,000 shall be paid for division and equal distribution to the animal sciences department of each Illinois public university system engaged in equine research and education on or before the effective date of this amendatory Act of the 101st General Assembly for equine research and education.

(d) Annually, from the purse account of an organization licensee racing standardbred horses, an amount equal to 15% of the gaming receipts from gaming pursuant to an organization gaming license placed into that purse account shall be paid to the Illinois Standardbred Breeders Fund. Moneys deposited into the Illinois Standardbred Breeders Fund shall be used for standardbred racing as authorized in paragraphs 1, 2, 3, 8, and 9 of subsection (g) of Section 31 of this Act and for bonus awards as authorized under paragraph 6 of subsection (j) of Section 31 of this Act.

Section 35-55. The Riverboat Gambling Act is amended by changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11, 11.1, 12, 13, 14, 15, 17, 17.1, 18, 18.1, 19, 20, and 24 and by adding Sections 5.3, 7.7, 7.8, 7.10, 7.11, 7.12, 7.13, 7.14, and 7.15 as follows:

(230 ILCS 10/1) (from Ch. 120, par. 2401)

Sec. 1. Short title. This Act shall be known and may be cited as the Illinois Riverboat Gambling Act.

(Source: P.A. 86-1029.)

(230 ILCS 10/2) (from Ch. 120, par. 2402)

Sec. 2. Legislative Intent.

(a) This Act is intended to benefit the people of the State of Illinois by assisting economic development, ~~and promoting Illinois tourism~~ and by increasing the amount of revenues available to the State to assist and support education and to defray State expenses.

(b) While authorization of riverboat and casino gambling will enhance investment, beautification, development and tourism in Illinois, it is recognized that it will do so successfully only if public confidence and trust in the credibility and integrity of the gambling operations and the regulatory process is maintained. Therefore, regulatory provisions of this Act are designed to strictly regulate the facilities, persons, associations and practices related to gambling operations pursuant to the police powers of the State, including comprehensive law enforcement supervision.

(c) The Illinois Gaming Board established under this Act should, as soon as possible, inform each applicant for an owners license of the Board's intent to grant or deny a license.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/3) (from Ch. 120, par. 2403)

Sec. 3. ~~Riverboat~~ Gambling Authorized.

(a) ~~Riverboat and casino~~ gambling operations and gaming operations pursuant to an organization gaming license ~~and the system of wagering incorporated therein~~, as defined in this Act, are hereby authorized to the extent that they are carried out in accordance with the provisions of this Act.

(b) This Act does not apply to the pari-mutuel system of wagering used or intended to be used in connection with the horse-race meetings as authorized under the Illinois Horse Racing Act of 1975, lottery games authorized under the Illinois Lottery Law, bingo authorized under the Bingo License and Tax Act, charitable games authorized under the Charitable Games Act or pull tabs and jar games conducted under the Illinois Pull Tabs and Jar Games Act. This Act applies to gaming by an organization gaming licensee authorized under the Illinois Horse Racing Act of 1975 to the extent provided in that Act and in this Act.

(c) Riverboat gambling conducted pursuant to this Act may be authorized upon any water within the State of Illinois or any water other than Lake Michigan which constitutes a boundary of the State of Illinois. Notwithstanding any provision in this subsection (c) to the contrary, a licensee that receives its license pursuant to subsection (e-5) of Section 7 may conduct riverboat gambling on Lake Michigan from a home dock located on Lake Michigan subject to any limitations contained in Section 7. Notwithstanding any

provision in this subsection (c) to the contrary, a licensee may conduct gambling at its home dock facility as provided in Sections 7 and 11. A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of passengers for the purpose of gambling.

(d) Gambling that is conducted in accordance with this Act using slot machines and video games of chance and other electronic gambling games as defined in both this Act and the Illinois Horse Racing Act of 1975 is authorized.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 10/4) (from Ch. 120, par. 2404)

Sec. 4. Definitions. As used in this Act:

(a) "Board" means the Illinois Gaming Board.

(b) "Occupational license" means a license issued by the Board to a person or entity to perform an occupation which the Board has identified as requiring a license to engage in riverboat gambling, casino gambling, or gaming pursuant to an organization gaming license issued under this Act in Illinois.

(c) "Gambling game" includes, but is not limited to, baccarat, twenty-one, poker, craps, slot machine, video game of chance, roulette wheel, klondike table, punchboard, faro layout, keno layout, numbers ticket, push card, jar ticket, or pull tab which is authorized by the Board as a wagering device under this Act.

(d) "Riverboat" means a self-propelled excursion boat, a permanently moored barge, or permanently moored barges that are permanently fixed together to operate as one vessel, on which lawful gambling is authorized and licensed as provided in this Act.

"Slot machine" means any mechanical, electrical, or other device, contrivance, or machine that is authorized by the Board as a wagering device under this Act which, upon insertion of a coin, currency, token, or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise, tokens, or anything of value whatsoever, whether the payoff is made automatically from the machine or in any other manner whatsoever. A slot machine:

(1) may utilize spinning reels or video displays or both;

(2) may or may not dispense coins, tickets, or tokens to winning patrons;

(3) may use an electronic credit system for receiving wagers and making payouts; and

(4) may simulate a table game.

"Slot machine" does not include table games authorized by the Board as a wagering device under this Act.

(e) "Managers license" means a license issued by the Board to a person or entity to manage gambling operations conducted by the State pursuant to Section 7.3.

(f) "Dock" means the location where a riverboat moors for the purpose of embarking passengers for and disembarking passengers from the riverboat.

(g) "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, or electronic cards by riverboat patrons.

(h) "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.

(i) "Cheat" means to alter the selection of criteria which determine the result of a gambling game or the amount or frequency of payment in a gambling game.

(j) ~~(Blank)~~.

(k) "Gambling operation" means the conduct of ~~authorized~~ authorized gambling games authorized under this Act upon a riverboat or in a casino or authorized under this Act and the Illinois Horse Racing Act of 1975 at an organization gaming facility.

(l) "License bid" means the lump sum amount of money that an applicant bids and agrees to pay the State in return for an owners license that is issued or re-issued on or after July 1, 2003.

"Table game" means a live gaming apparatus upon which gaming is conducted or that determines an outcome that is the object of a wager, including, but not limited to, baccarat, twenty-one, blackjack, poker, craps, roulette wheel, klondike table, punchboard, faro layout, keno layout, numbers ticket, push card, jar ticket, pull tab, or other similar games that are authorized by the Board as a wagering device under this Act. "Table game" does not include slot machines or video games of chance.

(m) The terms "minority person", "woman", and "person with a disability" shall have the same meaning as defined in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"Casino" means a facility at which lawful gambling is authorized as provided in this Act.

"Owners license" means a license to conduct riverboat or casino gambling operations, but does not include an organization gaming license.

"Licensed owner" means a person who holds an owners license.

"Organization gaming facility" means that portion of an organization licensee's racetrack facilities at which gaming authorized under Section 7.7 is conducted.

"Organization gaming license" means a license issued by the Illinois Gaming Board under Section 7.7 of this Act authorizing gaming pursuant to that Section at an organization gaming facility.

"Organization gaming licensee" means an entity that holds an organization gaming license.

"Organization licensee" means an entity authorized by the Illinois Racing Board to conduct pari-mutuel wagering in accordance with the Illinois Horse Racing Act of 1975. With respect only to gaming pursuant to an organization gaming license, "organization licensee" includes the authorization for gaming created under subsection (a) of Section 56 of the Illinois Horse Racing Act of 1975.

(Source: P.A. 100-391, eff. 8-25-17.)

(230 ILCS 10/5) (from Ch. 120, par. 2405)

Sec. 5. Gaming Board.

(a) (1) There is hereby established the Illinois Gaming Board, which shall have the powers and duties specified in this Act, and all other powers necessary and proper to fully and effectively execute this Act for the purpose of administering, regulating, and enforcing the system of riverboat and casino gambling established by this Act and gaming pursuant to an organization gaming license issued under this Act. Its jurisdiction shall extend under this Act to every person, association, corporation, partnership and trust involved in riverboat and casino gambling operations and gaming pursuant to an organization gaming license issued under this Act in the State of Illinois.

(2) The Board shall consist of 5 members to be appointed by the Governor with the advice and consent of the Senate, one of whom shall be designated by the Governor to be ~~chairperson~~ chairman. Each member shall have a reasonable knowledge of the practice, procedure and principles of gambling operations. Each member shall either be a resident of Illinois or shall certify that he or she will become a resident of Illinois before taking office.

On and after the effective date of this amendatory Act of the 101st General Assembly, new appointees to the Board must include the following:

(A) One member who has received, at a minimum, a bachelor's degree from an accredited school and at least 10 years of verifiable experience in the fields of investigation and law enforcement.

(B) One member who is a certified public accountant with experience in auditing and with knowledge of complex corporate structures and transactions.

(C) One member who has 5 years' experience as a principal, senior officer, or director of a company or business with either material responsibility for the daily operations and management of the overall company or business or material responsibility for the policy making of the company or business.

(D) One member who is an attorney licensed to practice law in Illinois for at least 5 years.

Notwithstanding any provision of this subsection (a), the requirements of subparagraphs (A) through (D) of this paragraph (2) shall not apply to any person reappointed pursuant to paragraph (3).

No more than 3 members of the Board may be from the same political party. No Board member shall, within a period of one year immediately preceding nomination, have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. Board members must publicly disclose all prior affiliations with gaming interests, including any compensation, fees, bonuses, salaries, and other reimbursement received from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. This disclosure must be made within 30 days after nomination but prior to confirmation by the Senate and must be made available to the members of the Senate. At least one member shall be experienced in law enforcement and criminal investigation, at least one member shall be a certified public accountant experienced in accounting and auditing, and at least one member shall be a lawyer licensed to practice law in Illinois.

(3) The terms of office of the Board members shall be 3 years, except that the terms of office of the initial Board members appointed pursuant to this Act will commence from the effective date of this Act and run as follows: one for a term ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for a term ending July 1, 1993. Upon the expiration of the foregoing terms, the successors of such members shall serve a term for 3 years and until their successors are appointed and qualified for like terms. Vacancies in the Board shall be filled for the unexpired term in like manner as original appointments. Each member of the Board shall be eligible for reappointment at the discretion of the Governor with the advice and consent of the Senate.

(4) Each member of the Board shall receive \$300 for each day the Board meets and for each day the member conducts any hearing pursuant to this Act. Each member of the Board shall also be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of official duties.

(5) No person shall be appointed a member of the Board or continue to be a member of the Board who is, or whose spouse, child or parent is, a member of the board of directors of, or a person financially interested in, any gambling operation subject to the jurisdiction of this Board, or any race track, race meeting, racing association or the operations thereof subject to the jurisdiction of the Illinois Racing Board. No Board member shall hold any other public office. No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.

(5.5) No member of the Board shall engage in any political activity. For the purposes of this Section, "political" means any activity in support of or in connection with any campaign for federal, State, or local elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.

(6) Any member of the Board may be removed by the Governor for neglect of duty, misfeasance, malfeasance, or nonfeasance in office or for engaging in any political activity.

(7) Before entering upon the discharge of the duties of his office, each member of the Board shall take an oath that he will faithfully execute the duties of his office according to the laws of the State and the rules and regulations adopted therewith and shall give bond to the State of Illinois, approved by the Governor, in the sum of \$25,000. Every such bond, when duly executed and approved, shall be recorded in the office of the Secretary of State. Whenever the Governor determines that the bond of any member of the Board has become or is likely to become invalid or insufficient, he shall require such member forthwith to renew his bond, which is to be approved by the Governor. Any member of the Board who fails to take oath and give bond within 30 days from the date of his appointment, or who fails to renew his bond within 30 days after it is demanded by the Governor, shall be guilty of neglect of duty and may be removed by the Governor. The cost of any bond given by any member of the Board under this Section shall be taken to be a part of the necessary expenses of the Board.

(7.5) For the examination of all mechanical, electromechanical, or electronic table games, slot machines, slot accounting systems, sports wagering systems, and other electronic gaming equipment, and the field inspection of such systems, games, and machines, for compliance with this Act, the Board shall may utilize the services of one or more independent outside testing laboratories that have been accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement signifying they by a national accreditation body and that, in the judgment of the Board, are qualified to perform such examinations. Notwithstanding any law to the contrary, the Board shall consider the licensing of independent outside testing laboratory applicants in accordance with procedures established by the Board by rule. The Board shall not withhold its approval of an independent outside testing laboratory license applicant that has been accredited as required under this paragraph (7.5) and is licensed in gaming jurisdictions comparable to Illinois. Upon the finalization of required rules, the Board shall license independent testing laboratories and accept the test reports of any licensed testing laboratory of the system's, game's, or machine manufacturer's choice, notwithstanding the existence of contracts between the Board and any independent testing laboratory.

(8) The Board shall employ such personnel as may be necessary to carry out its functions and shall determine the salaries of all personnel, except those personnel whose salaries are determined under the terms of a collective bargaining agreement. No person shall be employed to serve the Board who is, or whose spouse, parent or child is, an official of, or has a financial interest in or financial relation with, any operator engaged in gambling operations within this State or any organization engaged in conducting horse racing within this State. For the one year immediately preceding employment, an employee shall not have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. Any employee violating these prohibitions shall be subject to termination of employment.

(9) An Administrator shall perform any and all duties that the Board shall assign him. The salary of the Administrator shall be determined by the Board and, in addition, he shall be reimbursed for all actual and necessary expenses incurred by him in discharge of his official duties. The Administrator shall keep records of all proceedings of the Board and shall preserve all records, books, documents and other papers belonging to the Board or entrusted to its care. The Administrator shall devote his full time to the duties of the office and shall not hold any other office or employment.

(b) The Board shall have general responsibility for the implementation of this Act. Its duties include, without limitation, the following:

(1) To decide promptly and in reasonable order all license applications. Any party aggrieved by an action of the Board denying, suspending, revoking, restricting or refusing to renew a license may request a hearing before the Board. A request for a hearing must be made to the Board in writing within 5 days after service of notice of the action of the Board. Notice of the action of the Board shall be served either by personal delivery or by certified mail, postage prepaid, to the aggrieved party. Notice served by certified mail shall be deemed complete on the business day following the date of such mailing. The Board shall conduct ~~any such~~ all requested hearings promptly and in reasonable order;

(2) To conduct all hearings pertaining to civil violations of this Act or rules and regulations promulgated hereunder;

(3) To promulgate such rules and regulations as in its judgment may be necessary to protect or enhance the credibility and integrity of gambling operations authorized by this Act and the regulatory process hereunder;

(4) To provide for the establishment and collection of all license and registration fees and taxes imposed by this Act and the rules and regulations issued pursuant hereto. All such fees and taxes shall be deposited into the State Gaming Fund;

(5) To provide for the levy and collection of penalties and fines for the violation of provisions of this Act and the rules and regulations promulgated hereunder. All such fines and penalties shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois;

(6) To be present through its inspectors and agents any time gambling operations are conducted on any riverboat, in any casino, or at any organization gaming facility for the purpose of certifying the revenue thereof, receiving complaints from the public, and conducting such other investigations into the conduct of the gambling games and the maintenance of the equipment as from time to time the Board may deem necessary and proper;

(7) To review and rule upon any complaint by a licensee regarding any investigative procedures of the State which are unnecessarily disruptive of gambling operations. The need to inspect and investigate shall be presumed at all times. The disruption of a licensee's operations shall be proved by clear and convincing evidence, and establish that: (A) the procedures had no reasonable law enforcement purposes, and (B) the procedures were so disruptive as to unreasonably inhibit gambling operations;

(8) To hold at least one meeting each quarter of the fiscal year. In addition, special meetings may be called by the Chairman or any 2 Board members upon 72 hours written notice to each member. All Board meetings shall be subject to the Open Meetings Act. Three members of the Board shall constitute a quorum, and 3 votes shall be required for any final determination by the Board. The Board shall keep a complete and accurate record of all its meetings. A majority of the members of the Board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power which this Act requires the Board members to transact, perform or exercise en banc, except that, upon order of the Board, one of the Board members or an administrative law judge designated by the Board may conduct any hearing provided for under this Act or by Board rule and may recommend findings and decisions to the Board. The Board member or administrative law judge conducting such hearing shall have all powers and rights granted to the Board in this Act. The record made at the time of the hearing shall be reviewed by the Board, or a majority thereof, and the findings and decision of the majority of the Board shall constitute the order of the Board in such case;

(9) To maintain records which are separate and distinct from the records of any other State board or commission. Such records shall be available for public inspection and shall accurately reflect all Board proceedings;

(10) To file a written annual report with the Governor on or before July 1 each year and such additional reports as the Governor may request. The annual report shall include a statement of receipts and disbursements by the Board, actions taken by the Board, and any additional information and recommendations which the Board may deem valuable or which the Governor may request;

(11) (Blank);

(12) (Blank);

(13) To assume responsibility for administration and enforcement of the Video Gaming Act; and

(13.1) To assume responsibility for the administration and enforcement of operations at organization gaming facilities pursuant to this Act and the Illinois Horse Racing Act of 1975;

(13.2) To assume responsibility for the administration and enforcement of the Sports Wagering Act;
and

(14) To adopt, by rule, a code of conduct governing Board members and employees that ensure, to the maximum extent possible, that persons subject to this Code avoid situations, relationships, or associations that may represent or lead to a conflict of interest.

Internal controls and changes submitted by licensees must be reviewed and either approved or denied with cause within 90 days after receipt of submission is deemed final by the Illinois Gaming Board. In the event an internal control submission or change does not meet the standards set by the Board, staff of the Board must provide technical assistance to the licensee to rectify such deficiencies within 90 days after the initial submission and the revised submission must be reviewed and approved or denied with cause within 90 days after the date the revised submission is deemed final by the Board. For the purposes of this paragraph, "with cause" means that the approval of the submission would jeopardize the integrity of gaming. In the event the Board staff has not acted within the timeframe, the submission shall be deemed approved.

(c) The Board shall have jurisdiction over and shall supervise all gambling operations governed by this Act. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all riverboat gambling operations authorized under this Act in this State and all persons in places on riverboats where gambling operations are conducted.

(3) To promulgate rules and regulations for the purpose of administering the provisions of this Act and to prescribe rules, regulations and conditions under which all riverboat gambling operations subject to this Act in the State shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of riverboat gambling, including rules and regulations regarding the inspection of organization gaming facilities, casinos, and such riverboats, and the review of any permits or licenses necessary to operate a riverboat, casino, or organization gaming facility under any laws or regulations applicable to riverboats, casinos, or organization gaming facilities and to impose penalties for violations thereof.

(4) To enter the office, riverboats, casinos, organization gaming facilities, and other facilities, or other places of business of a licensee, where evidence of the compliance or noncompliance with the provisions of this Act is likely to be found.

(5) To investigate alleged violations of this Act or the rules of the Board and to take appropriate disciplinary action against a licensee or a holder of an occupational license for a violation, or institute appropriate legal action for enforcement, or both.

(6) To adopt standards for the licensing of all persons and entities under this Act, as well as for electronic or mechanical gambling games, and to establish fees for such licenses.

(7) To adopt appropriate standards for all organization gaming facilities, riverboats, casinos, and other facilities authorized under this Act.

(8) To require that the records, including financial or other statements of any licensee under this Act, shall be kept in such manner as prescribed by the Board and that any such licensee involved in the ownership or management of gambling operations submit to the Board an annual balance sheet and profit and loss statement, list of the stockholders or other persons having a 1% or greater beneficial interest in the gambling activities of each licensee, and any other information the Board deems necessary in order to effectively administer this Act and all rules, regulations, orders and final decisions promulgated under this Act.

(9) To conduct hearings, issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with the Illinois Administrative Procedure Act, and to administer oaths and affirmations to the witnesses, when, in the judgment of the Board, it is necessary to administer or enforce this Act or the Board rules.

(10) To prescribe a form to be used by any licensee involved in the ownership or management of gambling operations as an application for employment for their employees.

(11) To revoke or suspend licenses, as the Board may see fit and in compliance with applicable laws of the State regarding administrative procedures, and to review applications for the renewal of licenses. The Board may suspend an owners license or an organization gaming license, without notice or hearing upon a determination that the safety or health of patrons or employees is

jeopardized by continuing a gambling operation conducted under that license riverboat's operation. The suspension may remain in effect until the Board determines that the cause for suspension has been abated. The Board may revoke an the owners license or organization gaming license upon a determination that the licensee owner has not made satisfactory progress toward abating the hazard.

(12) To eject or exclude or authorize the ejection or exclusion of, any person from riverboat gambling facilities where that such person is in violation of this Act, rules and regulations thereunder, or final orders of the Board, or where such person's conduct or reputation is such that his or her presence within the riverboat gambling facilities may, in the opinion of the Board, call into question the honesty and integrity of the gambling operations or interfere with the orderly conduct thereof; provided that the propriety of such ejection or exclusion is subject to subsequent hearing by the Board.

(13) To require all licensees of gambling operations to utilize a cashless wagering system whereby all players' money is converted to tokens, electronic cards, or chips which shall be used only for wagering in the gambling establishment.

(14) (Blank).

(15) To suspend, revoke or restrict licenses, to require the removal of a licensee or an employee of a licensee for a violation of this Act or a Board rule or for engaging in a fraudulent practice, and to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 or an amount equal to the daily gross receipts, whichever is larger, against licensees for each violation of any provision of the Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to riverboat gambling operations.

(16) To hire employees to gather information, conduct investigations and carry out any other tasks contemplated under this Act.

(17) To establish minimum levels of insurance to be maintained by licensees.

(18) To authorize a licensee to sell or serve alcoholic liquors, wine or beer as defined in the Liquor Control Act of 1934 on board a riverboat or in a casino and to have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino, notwithstanding any provision of the Liquor Control Act of 1934 or any local ordinance, and regardless of whether the riverboat makes excursions. The establishment of the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino is an exclusive power and function of the State. A home rule unit may not establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino. This subdivision (18) amendatory Act of 1994 is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(19) After consultation with the U.S. Army Corps of Engineers, to establish binding emergency orders upon the concurrence of a majority of the members of the Board regarding the navigability of water, relative to excursions, in the event of extreme weather conditions, acts of God or other extreme circumstances.

(20) To delegate the execution of any of its powers under this Act for the purpose of administering and enforcing this Act and the its rules adopted by the Board and regulations hereunder.

(20.5) To approve any contract entered into on its behalf.

(20.6) To appoint investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act, as deemed necessary by the Board. These investigators have and may exercise all of the rights and powers of peace officers, provided that these powers shall be limited to offenses or violations occurring or committed in a casino, in an organization gaming facility, or on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise provided by this Act or any other law.

(20.7) To contract with the Department of State Police for the use of trained and qualified State police officers and with the Department of Revenue for the use of trained and qualified Department of Revenue investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and to exercise all of the rights and powers of peace officers, provided that the powers of Department of Revenue investigators under this subdivision (20.7) shall be limited to offenses or violations occurring or committed in a casino, in an organization gaming facility, or on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise provided by this Act or any other law. In the event the Department of State Police or the Department of Revenue is unable to fill contracted police or investigative positions, the Board may appoint investigators to fill those positions pursuant to subdivision (20.6).

(21) To adopt rules concerning the conduct of gaming pursuant to an organization gaming license issued under this Act.

(22) To have the same jurisdiction and supervision over casinos and organization gaming facilities as the Board has over riverboats, including, but not limited to, the power to (i) investigate, review, and

approve contracts as that power is applied to riverboats, (ii) adopt rules for administering the provisions of this Act, (iii) adopt standards for the licensing of all persons involved with a casino or organization gaming facility, (iv) investigate alleged violations of this Act by any person involved with a casino or organization gaming facility, and (v) require that records, including financial or other statements of any casino or organization gaming facility, shall be kept in such manner as prescribed by the Board.

(23) ~~(21)~~ To take any other action as may be reasonable or appropriate to enforce this Act and the rules adopted by the Board and regulations hereunder.

(d) The Board may seek and shall receive the cooperation of the Department of State Police in conducting background investigations of applicants and in fulfilling its responsibilities under this Section. Costs incurred by the Department of State Police as a result of such cooperation shall be paid by the Board in conformance with the requirements of Section 2605-400 of the Department of State Police Law ~~(20 ILCS 2605/2605-400)~~.

(e) The Board must authorize to each investigator and to any other employee of the Board exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Board and (ii) contains a unique identifying number. No other badge shall be authorized by the Board.

(Source: P.A. 100-1152, eff. 12-14-18.)

(230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

Sec. 5.1. Disclosure of records.

(a) Notwithstanding any applicable statutory provision to the contrary, the Board shall, on written request from any person, provide information furnished by an applicant or licensee concerning the applicant or licensee, his products, services or gambling enterprises and his business holdings, as follows:

(1) The name, business address and business telephone number of any applicant or licensee.

(2) An identification of any applicant or licensee including, if an applicant or licensee is not an individual, the names and addresses of all stockholders and directors, if the entity is a corporation; the names and addresses of all members, if the entity is a limited liability company; the names and addresses of all partners, both general and limited, if the entity is a partnership; and the names and addresses of all beneficiaries, if the entity is a trust ~~the state of incorporation or registration, the corporate officers, and the identity of all shareholders or participants.~~ If an applicant or licensee has a pending registration statement filed with the Securities and Exchange Commission, only the names of those persons or entities holding interest of 5% or more must be provided.

(3) An identification of any business, including, if applicable, the state of incorporation or registration, in which an applicant or licensee or an applicant's or licensee's spouse or children has an equity interest of more than 1%. If an applicant or licensee is a corporation, partnership or other business entity, the applicant or licensee shall identify any other corporation, partnership or business entity in which it has an equity interest of 1% or more, including, if applicable, the state of incorporation or registration. This information need not be provided by a corporation, partnership or other business entity that has a pending registration statement filed with the Securities and Exchange Commission.

(4) Whether an applicant or licensee has been indicted, convicted, pleaded guilty or nolo contendere, or forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or misdemeanor (except for traffic violations), including the date, the name and location of the court, arresting agency and prosecuting agency, the case number, the offense, the disposition and the location and length of incarceration.

(5) Whether an applicant or licensee has had any license or certificate issued by a licensing authority in Illinois or any other jurisdiction denied, restricted, suspended, revoked or not renewed and a statement describing the facts and circumstances concerning the denial, restriction, suspension, revocation or non-renewal, including the licensing authority, the date each such action was taken, and the reason for each such action.

(6) Whether an applicant or licensee has ever filed or had filed against it a proceeding in bankruptcy or has ever been involved in any formal process to adjust, defer, suspend or otherwise work out the payment of any debt including the date of filing, the name and location of the court, the case and number of the disposition.

(7) Whether an applicant or licensee has filed, or been served with a complaint or other notice filed with any public body, regarding the delinquency in the payment of, or a dispute over the filings concerning the payment of, any tax required under federal, State or local law, including the amount, type of tax, the taxing agency and time periods involved.

(8) A statement listing the names and titles of all public officials or officers of any

unit of government, and relatives of said public officials or officers who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with, an applicant or licensee.

(9) Whether an applicant or licensee has made, directly or indirectly, any political contribution, or any loans, donations or other payments, to any candidate or office holder, within 5 years from the date of filing the application, including the amount and the method of payment.

(10) The name and business telephone number of the counsel representing an applicant or licensee in matters before the Board.

(11) A description of any proposed or approved gambling riverboat gaming operation, including the type of boat,

home dock, or casino or gaming location, expected economic benefit to the community, anticipated or actual number of employees, any statement from an applicant or licensee regarding compliance with federal and State affirmative action guidelines, projected or actual admissions and projected or actual adjusted gross gaming receipts.

(12) A description of the product or service to be supplied by an applicant for a supplier's license.

(b) Notwithstanding any applicable statutory provision to the contrary, the Board shall, on written request from any person, also provide the following information:

(1) The amount of the wagering tax and admission tax paid daily to the State of Illinois by the holder of an owner's license.

(2) Whenever the Board finds an applicant for an owner's license unsuitable for licensing, a copy of the written letter outlining the reasons for the denial.

(3) Whenever the Board has refused to grant leave for an applicant to withdraw his application, a copy of the letter outlining the reasons for the refusal.

(c) Subject to the above provisions, the Board shall not disclose any information which would be barred by:

(1) Section 7 of the Freedom of Information Act; or

(2) The statutes, rules, regulations or intergovernmental agreements of any jurisdiction.

(d) The Board may assess fees for the copying of information in accordance with Section 6 of the Freedom of Information Act.

(Source: P.A. 96-1392, eff. 1-1-11.)

(230 ILCS 10/5.3 new)

Sec. 5.3. Ethical conduct.

(a) Officials and employees of the corporate authority of a host community must carry out their duties and responsibilities in such a manner as to promote and preserve public trust and confidence in the integrity and conduct of gaming.

(b) Officials and employees of the corporate authority of a host community shall not use or attempt to use his or her official position to secure or attempt to secure any privilege, advantage, favor, or influence for himself or herself or others.

(c) Officials and employees of the corporate authority of a host community may not have a financial interest, directly or indirectly, in his or her own name or in the name of any other person, partnership, association, trust, corporation, or other entity in any contract or subcontract for the performance of any work for a riverboat or casino that is located in the host community. This prohibition shall extend to the holding or acquisition of an interest in any entity identified by Board action that, in the Board's judgment, could represent the potential for or the appearance of a financial interest. The holding or acquisition of an interest in such entities through an indirect means, such as through a mutual fund, shall not be prohibited, except that the Board may identify specific investments or funds that, in its judgment, are so influenced by gaming holdings as to represent the potential for or the appearance of a conflict of interest.

(d) Officials and employees of the corporate authority of a host community may not accept any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, or entity doing business with the riverboat or casino that is located in the host community.

(e) Officials and employees of the corporate authority of a host community shall not, during the period that the person is an official or employee of the corporate authority or for a period of 2 years immediately after leaving such office, knowingly accept employment or receive compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the riverboat or casino that is located in the host community that resulted in contracts with an aggregate value of at least \$25,000 or if

that official or employee has made a decision that directly applied to the person or entity, or its parent or affiliate.

(f) A spouse, child, or parent of an official or employee of the corporate authority of a host community may not have a financial interest, directly or indirectly, in his or her own name or in the name of any other person, partnership, association, trust, corporation, or other entity in any contract or subcontract for the performance of any work for a riverboat or casino in the host community. This prohibition shall extend to the holding or acquisition of an interest in any entity identified by Board action that, in the judgment of the Board, could represent the potential for or the appearance of a conflict of interest. The holding or acquisition of an interest in such entities through an indirect means, such as through a mutual fund, shall not be prohibited, except that the Board may identify specific investments or funds that, in its judgment, are so influenced by gaming holdings as to represent the potential for or the appearance of a conflict of interest.

(g) A spouse, child, or parent of an official or employee of the corporate authority of a host community may not accept any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, or entity doing business with the riverboat or casino that is located in the host community.

(h) A spouse, child, or parent of an official or employee of the corporate authority of a host community may not, during the period that the person is an official of the corporate authority or for a period of 2 years immediately after leaving such office or employment, knowingly accept employment or receive compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the riverboat or casino that is located in the host community that resulted in contracts with an aggregate value of at least \$25,000 or if that official or employee has made a decision that directly applied to the person or entity, or its parent or affiliate.

(i) Officials and employees of the corporate authority of a host community shall not attempt, in any way, to influence any person or entity doing business with the riverboat or casino that is located in the host community or any officer, agent, or employee thereof to hire or contract with any person or entity for any compensated work.

(j) Any communication between an official of the corporate authority of a host community and any applicant for an owners license in the host community, or an officer, director, or employee of a riverboat or casino in the host community, concerning any matter relating in any way to gaming shall be disclosed to the Board. Such disclosure shall be in writing by the official within 30 days after the communication and shall be filed with the Board. Disclosure must consist of the date of the communication, the identity and job title of the person with whom the communication was made, a brief summary of the communication, the action requested or recommended, all responses made, the identity and job title of the person making the response, and any other pertinent information. Public disclosure of the written summary provided to the Board and the Gaming Board shall be subject to the exemptions provided under the Freedom of Information Act.

This subsection (j) shall not apply to communications regarding traffic, law enforcement, security, environmental issues, city services, transportation, or other routine matters concerning the ordinary operations of the riverboat or casino. For purposes of this subsection (j), "ordinary operations" means operations relating to the casino or riverboat facility other than the conduct of gambling activities, and "routine matters" includes the application for, issuance of, renewal of, and other processes associated with municipal permits and licenses.

(k) Any official or employee who violates any provision of this Section is guilty of a Class 4 felony.

(l) For purposes of this Section, "host community" or "host municipality" means a unit of local government that contains a riverboat or casino within its borders.

(230 ILCS 10/6) (from Ch. 120, par. 2406)

Sec. 6. Application for Owners License.

(a) A qualified person may apply to the Board for an owners license to conduct a riverboat gambling operation as provided in this Act. The application shall be made on forms provided by the Board and shall contain such information as the Board prescribes, including but not limited to the identity of the riverboat on which such gambling operation is to be conducted, if applicable, and the exact location where such riverboat or casino will be located ~~doeked~~, a certification that the riverboat will be registered under this Act at all times during which gambling operations are conducted on board, detailed information regarding the ownership and management of the applicant, and detailed personal information regarding the applicant. Any application for an owners license to be re-issued on or after June 1, 2003 shall also include the applicant's license bid in a form prescribed by the Board. Information provided on the application shall be used as a basis for a thorough background investigation which the Board shall conduct with respect to each applicant. An incomplete application shall be cause for denial of a license by the Board.

(a-5) In addition to any other information required under this Section, each application for an owners license must include the following information:

(1) The history and success of the applicant and each person and entity disclosed under subsection (c) of this Section in developing tourism facilities ancillary to gaming, if applicable.

(2) The likelihood that granting a license to the applicant will lead to the creation of quality, living wage jobs and permanent, full-time jobs for residents of the State and residents of the unit of local government that is designated as the home dock of the proposed facility where gambling is to be conducted by the applicant.

(3) The projected number of jobs that would be created if the license is granted and the projected number of new employees at the proposed facility where gambling is to be conducted by the applicant.

(4) The record, if any, of the applicant and its developer in meeting commitments to local agencies, community-based organizations, and employees at other locations where the applicant or its developer has performed similar functions as they would perform if the applicant were granted a license.

(5) Identification of adverse effects that might be caused by the proposed facility where gambling is to be conducted by the applicant, including the costs of meeting increased demand for public health care, child care, public transportation, affordable housing, and social services, and a plan to mitigate those adverse effects.

(6) The record, if any, of the applicant and its developer regarding compliance with:

(A) federal, state, and local discrimination, wage and hour, disability, and occupational and environmental health and safety laws; and

(B) state and local labor relations and employment laws.

(7) The applicant's record, if any, in dealing with its employees and their representatives at other locations.

(8) A plan concerning the utilization of minority-owned and women-owned businesses and concerning the hiring of minorities and women.

(9) Evidence the applicant used its best efforts to reach a goal of 25% ownership representation by minority persons and 5% ownership representation by women.

(b) Applicants shall submit with their application all documents, resolutions, and letters of support from the governing body that represents the municipality or county wherein the licensee will be located dock.

(c) Each applicant shall disclose the identity of every person ~~or entity, association, trust or corporation~~ having a greater than 1% direct or indirect pecuniary interest in the ~~riverboat~~ gambling operation with respect to which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of all the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited.

(d) An application shall be filed and considered in accordance with the rules of the Board. ~~Each~~ application shall be accompanied by a nonrefundable ~~An~~ application fee of \$250,000. In addition, a nonrefundable fee of \$50,000 shall be paid at the time of filing to defray the costs associated with the background investigation conducted by the Board. If the costs of the investigation exceed \$50,000, the applicant shall pay the additional amount to the Board within 7 days after requested by the Board. If the costs of the investigation are less than \$50,000, the applicant shall receive a refund of the remaining amount. All information, records, interviews, reports, statements, memoranda or other data supplied to or used by the Board in the course of its review or investigation of an application for a license or a renewal under this Act shall be privileged, strictly confidential and shall be used only for the purpose of evaluating an applicant for a license or a renewal. Such information, records, interviews, reports, statements, memoranda or other data shall not be admissible as evidence, nor discoverable in any action of any kind in any court or before any tribunal, board, agency or person, except for any action deemed necessary by the Board. The application fee shall be deposited into the State Gaming Fund.

(e) The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund. In order to expedite the application process, the Board may establish rules allowing applicants to acquire criminal background checks and financial integrity reviews as part of the initial application process from a list of vendors approved by the Board.

(f) The licensed owner shall be the person primarily responsible for the boat ~~or casino~~ itself. Only one ~~riverboat~~ gambling operation may be authorized by the Board on any riverboat ~~or in any casino~~. The applicant must identify the ~~each riverboat or premises~~ it intends to use and certify that the riverboat ~~or premises~~: (1) has the authorized capacity required in this Act; (2) is accessible to persons with disabilities; and (3) is fully registered and licensed in accordance with any applicable laws.

(g) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

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

(230 ILCS 10/7) (from Ch. 120, par. 2407)

Sec. 7. Owners licenses.

(a) The Board shall issue owners licenses to persons or entities that ~~, firms or corporations which~~ apply for such licenses upon payment to the Board of the non-refundable license fee as provided in subsection (c) or (c-5) set by the Board, upon payment of a \$25,000 license fee for the first year of operation and a \$5,000 license fee for each succeeding year and upon a determination by the Board that the applicant is eligible for an owners license pursuant to this Act and the rules of the Board. From the effective date of this amendatory Act of the 95th General Assembly until (i) 3 years after the effective date of this amendatory Act of the 95th General Assembly, (ii) the date any organization licensee begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, (iii) the date that payments begin under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the wagering tax imposed under Section 13 of this Act is increased by law to reflect a tax rate that is at least as stringent or more stringent than the tax rate contained in subsection (a-3) of Section 13, or (v) when an owners licensee holding a license issued pursuant to Section 7.1 of this Act begins conducting gaming, whichever occurs first, as a condition of licensure and as an alternative source of payment for those funds payable under subsection (c-5) of Section 13 of ~~this the Riverboat Gambling~~ Act, any owners licensee that holds or receives its owners license on or after the effective date of this amendatory Act of the 94th General Assembly, other than an owners licensee operating a riverboat with adjusted gross receipts in calendar year 2004 of less than \$200,000,000, must pay into the Horse Racing Equity Trust Fund, in addition to any other payments required under this Act, an amount equal to 3% of the adjusted gross receipts received by the owners licensee. The payments required under this Section shall be made by the owners licensee to the State Treasurer no later than 3:00 o'clock p.m. of the day after the day when the adjusted gross receipts were received by the owners licensee. A person, ~~firm or~~ entity corporation is ineligible to receive an owners license if:

(1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;

(2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person has submitted an application for a license under this Act which contains false information;

(4) the person is a member of the Board;

(5) a person defined in (1), (2), (3) or (4) is an officer, director or managerial employee of the entity ~~firm or corporation~~;

(6) the entity ~~firm or corporation~~ employs a person defined in (1), (2), (3) or (4) who participates in the management or operation of gambling operations authorized under this Act;

(7) (blank); or

(8) a license of the person or entity ~~, firm or corporation~~ issued under this Act, or a license to own or operate gambling facilities in any other jurisdiction, has been revoked.

The Board is expressly prohibited from making changes to the requirement that licensees make payment into the Horse Racing Equity Trust Fund without the express authority of the Illinois General Assembly and making any other rule to implement or interpret this amendatory Act of the 95th General Assembly. For the purposes of this paragraph, "rules" is given the meaning given to that term in Section 1-70 of the Illinois Administrative Procedure Act.

(b) In determining whether to grant an owners license to an applicant, the Board shall consider:

(1) the character, reputation, experience and financial integrity of the applicants and of any other or separate person that either:

(A) controls, directly or indirectly, such applicant, or

(B) is controlled, directly or indirectly, by such applicant or by a person which controls, directly or indirectly, such applicant;

(2) the facilities or proposed facilities for the conduct of ~~riverboat~~ gambling;

(3) the highest prospective total revenue to be derived by the State from the conduct of ~~riverboat~~ gambling;

(4) the extent to which the ownership of the applicant reflects the diversity of the

State by including minority persons, women, and persons with a disability and the good faith affirmative action plan of each applicant to recruit, train and upgrade minority persons, women, and persons with a disability in all employment classifications; the Board shall further consider granting an owners license and giving preference to an applicant under this Section to applicants in which minority persons and women hold ownership interest of at least 16% and 4%, respectively.

(4.5) the extent to which the ownership of the applicant includes veterans of service in the armed forces of the United States, and the good faith affirmative action plan of each applicant to recruit, train, and upgrade veterans of service in the armed forces of the United States in all employment classifications;

(5) the financial ability of the applicant to purchase and maintain adequate liability and casualty insurance;

(6) whether the applicant has adequate capitalization to provide and maintain, for the duration of a license, a riverboat or casino;

(7) the extent to which the applicant exceeds or meets other standards for the issuance of an owners license which the Board may adopt by rule; ~~and~~

(8) ~~the~~ ~~The~~ amount of the applicant's license bid ; -

(9) the extent to which the applicant or the proposed host municipality plans to enter into revenue sharing agreements with communities other than the host municipality; and

(10) the extent to which the ownership of an applicant includes the most qualified number of minority persons, women, and persons with a disability.

(c) Each owners license shall specify the place where ~~the casino riverboats~~ shall operate or the riverboat shall operate and dock.

(d) Each applicant shall submit with his application, on forms provided by the Board, 2 sets of his fingerprints.

(e) In addition to any licenses authorized under subsection (e-5) of this Section, the ~~The~~ Board may issue up to 10 licenses authorizing the holders of such licenses to own riverboats. In the application for an owners license, the applicant shall state the dock at which the riverboat is based and the water on which the riverboat will be located. The Board shall issue 5 licenses to become effective not earlier than January 1, 1991. Three of such licenses shall authorize riverboat gambling on the Mississippi River, or, with approval by the municipality in which the riverboat was docked on August 7, 2003 and with Board approval, be authorized to relocate to a new location, in a municipality that (1) borders on the Mississippi River or is within 5 miles of the city limits of a municipality that borders on the Mississippi River and (2), on August 7, 2003, had a riverboat conducting riverboat gambling operations pursuant to a license issued under this Act; one of which shall authorize riverboat gambling from a home dock in the city of East St. Louis ; and one of which shall authorize riverboat gambling from a home dock in the City of Alton. One other license shall authorize riverboat gambling on the Illinois River in the City of East Peoria or, with Board approval, shall authorize land-based gambling operations anywhere within the corporate limits of the City of Peoria south of Marshall County. The Board shall issue one additional license to become effective not earlier than March 1, 1992, which shall authorize riverboat gambling on the Des Plaines River in Will County. The Board may issue 4 additional licenses to become effective not earlier than March 1, 1992. In determining the water upon which riverboats will operate, the Board shall consider the economic benefit which riverboat gambling confers on the State, and shall seek to assure that all regions of the State share in the economic benefits of riverboat gambling.

In granting all licenses, the Board may give favorable consideration to economically depressed areas of the State, to applicants presenting plans which provide for significant economic development over a large geographic area, and to applicants who currently operate non-gambling riverboats in Illinois. The Board shall review all applications for owners licenses, and shall inform each applicant of the Board's decision. The Board may grant an owners license to an applicant that has not submitted the highest license bid, but if it does not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected and identifying the factors set forth in this Section that favored the winning bidder. The fee for issuance or renewal of a license pursuant to this subsection (e) shall be \$250,000.

(e-5) In addition to licenses authorized under subsection (e) of this Section:

(1) the Board may issue one owners license authorizing the conduct of casino gambling in the City of Chicago;

(2) the Board may issue one owners license authorizing the conduct of riverboat gambling in the City of Danville;

(3) the Board may issue one owners license authorizing the conduct of riverboat gambling located in the City of Waukegan;

(4) the Board may issue one owners license authorizing the conduct of riverboat gambling in the City of Rockford;

(5) the Board may issue one owners license authorizing the conduct of riverboat gambling in a municipality that is wholly or partially located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township; and

(6) the Board may issue one owners license authorizing the conduct of riverboat gambling in the unincorporated area of Williamson County adjacent to the Big Muddy River.

Except for the license authorized under paragraph (1), each application for a license pursuant to this subsection (e-5) shall be submitted to the Board no later than 120 days after the effective date of this amendatory Act of the 101st General Assembly. All applications for a license under this subsection (e-5) shall include the nonrefundable application fee and the nonrefundable background investigation fee as provided in subsection (d) of Section 6 of this Act. In the event that an applicant submits an application for a license pursuant to this subsection (e-5) prior to the effective date of this amendatory Act of the 101st General Assembly, such applicant shall submit the nonrefundable application fee and background investigation fee as provided in subsection (d) of Section 6 of this Act no later than 6 months after the effective date of this amendatory Act of the 101st General Assembly.

The Board shall consider issuing a license pursuant to paragraphs (1) through (6) of this subsection only after the corporate authority of the municipality or the county board of the county in which the riverboat or casino shall be located has certified to the Board the following:

(i) that the applicant has negotiated with the corporate authority or county board in good faith;

(ii) that the applicant and the corporate authority or county board have mutually agreed on the permanent location of the riverboat or casino;

(iii) that the applicant and the corporate authority or county board have mutually agreed on the temporary location of the riverboat or casino;

(iv) that the applicant and the corporate authority or county board have mutually agreed on the percentage of revenues that will be shared with the municipality or county, if any;

(v) that the applicant and the corporate authority or county board have mutually agreed on any zoning, licensing, public health, or other issues that are within the jurisdiction of the municipality or county; and

(vi) that the corporate authority or county board has passed a resolution or ordinance in support of the riverboat or casino in the municipality or county.

At least 7 days before the corporate authority of a municipality or county board of the county submits a certification to the Board concerning items (i) through (vi) of this subsection, it shall hold a public hearing to discuss items (i) through (vi), as well as any other details concerning the proposed riverboat or casino in the municipality or county. The corporate authority or county board must subsequently memorialize the details concerning the proposed riverboat or casino in a resolution that must be adopted by a majority of the corporate authority or county board before any certification is sent to the Board. The Board shall not alter, amend, change, or otherwise interfere with any agreement between the applicant and the corporate authority of the municipality or county board of the county regarding the location of any temporary or permanent facility.

In addition, within 10 days after the effective date of this amendatory Act of the 101st General Assembly, the Board, with consent and at the expense of the City of Chicago, shall select and retain the services of a nationally recognized casino gaming feasibility consultant. Within 45 days after the effective date of this amendatory Act of the 101st General Assembly, the consultant shall prepare and deliver to the Board a study concerning the feasibility of, and the ability to finance, a casino in the City of Chicago. The feasibility study shall be delivered to the Mayor of the City of Chicago, the Governor, the President of the Senate, and the Speaker of the House of Representatives. Ninety days after receipt of the feasibility study, the Board shall make a determination, based on the results of the feasibility study, whether to recommend to the General Assembly that the terms of the license under paragraph (1) of this subsection (e-5) should be modified. The Board may begin accepting applications for the owners license under paragraph (1) of this subsection (e-5) upon the determination to issue such an owners license.

In addition, prior to the Board issuing the owners license authorized under paragraph (4) of subsection (e-5), an impact study shall be completed to determine what location in the city will provide the greater impact to the region, including the creation of jobs and the generation of tax revenue.

(e-10) The licenses authorized under subsection (e-5) of this Section shall be issued within 12 months after the date the license application is submitted. If the Board does not issue the licenses within that time period, then the Board shall give a written explanation to the applicant as to why it has not reached a determination and when it reasonably expects to make a determination. The fee for the issuance or renewal of a license issued pursuant to this subsection (e-10) shall be \$250,000. Additionally, a licensee located outside of Cook County shall pay a minimum initial fee of \$17,500 per gaming position, and a licensee

located in Cook County shall pay a minimum initial fee of \$30,000 per gaming position. The initial fees payable under this subsection (e-10) shall be deposited into the Rebuild Illinois Projects Fund.

(e-15) Each licensee of a license authorized under subsection (e-5) of this Section shall make a reconciliation payment 3 years after the date the licensee begins operating in an amount equal to 75% of the adjusted gross receipts for the most lucrative 12-month period of operations, minus an amount equal to the initial payment per gaming position paid by the specific licensee. Each licensee shall pay a \$15,000,000 reconciliation fee upon issuance of an owners license. If this calculation results in a negative amount, then the licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board. All payments by licensees under this subsection (e-15) shall be deposited into the Rebuild Illinois Projects Fund.

(e-20) In addition to any other revocation powers granted to the Board under this Act, the Board may revoke the owners license of a licensee which fails to begin conducting gambling within 15 months of receipt of the Board's approval of the application if the Board determines that license revocation is in the best interests of the State.

(f) The first 10 owners licenses issued under this Act shall permit the holder to own up to 2 riverboats and equipment thereon for a period of 3 years after the effective date of the license. Holders of the first 10 owners licenses must pay the annual license fee for each of the 3 years during which they are authorized to own riverboats.

(g) Upon the termination, expiration, or revocation of each of the first 10 licenses, which shall be issued for a 3 year period, all licenses are renewable annually upon payment of the fee and a determination by the Board that the licensee continues to meet all of the requirements of this Act and the Board's rules. However, for licenses renewed on or after May 1, 1998, renewal shall be for a period of 4 years, unless the Board sets a shorter period.

(h) An owners license, except for an owners license issued under subsection (e-5) of this Section, shall entitle the licensee to own up to 2 riverboats.

An owners licensee of a casino or riverboat that is located in the City of Chicago pursuant to paragraph (1) of subsection (e-5) of this Section shall limit the number of gaming positions to 4,000 for such owner. An owners licensee authorized under subsection (e) or paragraph (2), (3), (4), or (5) of subsection (e-5) of this Section shall limit the number of gaming positions to 2,000 for any such owners license. An owners licensee authorized under paragraph (6) of subsection (e-5) of this Section shall limit the number of gaming positions to 1,200 for any such owner. The initial fee for each gaming position obtained on or after the effective date of this amendatory Act of the 101st General Assembly shall be a minimum of \$17,500 for licensees not located in Cook County and a minimum of \$30,000 for licensees located in Cook County, in addition to the reconciliation payment, as set forth in subsection (e-15) of this Section owners license. The fees under this subsection (h) shall be deposited into the Rebuild Illinois Projects Fund. The fees under this subsection (h) that are paid by an owners licensee authorized under subsection (e) shall be paid by July 1, 2020.

Each owners licensee under subsection (e) of this Section shall reserve its gaming positions within 30 days after the effective date of this amendatory Act of the 101st General Assembly. The Board may grant an extension to this 30-day period, provided that the owners licensee submits a written request and explanation as to why it is unable to reserve its positions within the 30-day period.

Each owners licensee under subsection (e-5) of this Section shall reserve its gaming positions within 30 days after issuance of its owners license. The Board may grant an extension to this 30-day period, provided that the owners licensee submits a written request and explanation as to why it is unable to reserve its positions within the 30-day period.

A licensee may operate both of its riverboats concurrently, provided that the total number of gaming positions gambling participants on both riverboats does not exceed the limit established pursuant to this subsection 4,200. Riverboats licensed to operate on the Mississippi River and the Illinois River south of Marshall County shall have an authorized capacity of at least 500 persons. Any other riverboat licensed under this Act shall have an authorized capacity of at least 400 persons.

(h-5) An owners licensee who conducted gambling operations prior to January 1, 2012 and obtains positions pursuant to this amendatory Act of the 101st General Assembly shall make a reconciliation payment 3 years after any additional gaming positions begin operating in an amount equal to 75% of the owners licensee's average gross receipts for the most lucrative 12-month period of operations minus an amount equal to the initial fee that the owners licensee paid per additional gaming position. For purposes of this subsection (h-5), "average gross receipts" means (i) the increase in adjusted gross receipts for the most lucrative 12-month period of operations over the adjusted gross receipts for 2019, multiplied by (ii)

the percentage derived by dividing the number of additional gaming positions that an owners licensee had obtained by the total number of gaming positions operated by the owners licensee. If this calculation results in a negative amount, then the owners licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board. These reconciliation payments shall be deposited into the Rebuild Illinois Projects Fund.

(i) A licensed owner is authorized to apply to the Board for and, if approved therefor, to receive all licenses from the Board necessary for the operation of a riverboat or casino, including a liquor license, a license to prepare and serve food for human consumption, and other necessary licenses. All use, occupation and excise taxes which apply to the sale of food and beverages in this State and all taxes imposed on the sale or use of tangible personal property apply to such sales aboard the riverboat or in the casino.

(j) The Board may issue or re-issue a license authorizing a riverboat to dock in a municipality or approve a relocation under Section 11.2 only if, prior to the issuance or re-issuance of the license or approval, the governing body of the municipality in which the riverboat will dock has by a majority vote approved the docking of riverboats in the municipality. The Board may issue or re-issue a license authorizing a riverboat to dock in areas of a county outside any municipality or approve a relocation under Section 11.2 only if, prior to the issuance or re-issuance of the license or approval, the governing body of the county has by a majority vote approved of the docking of riverboats within such areas.

(k) An owners licensee may conduct land-based gambling operations upon approval by the Board and payment of a fee of \$250,000, which shall be deposited into the State Gaming Fund.

(l) An owners licensee may conduct gaming at a temporary facility pending the construction of a permanent facility or the remodeling or relocation of an existing facility to accommodate gaming participants for up to 24 months after the temporary facility begins to conduct gaming. Upon request by an owners licensee and upon a showing of good cause by the owners licensee, the Board shall extend the period during which the licensee may conduct gaming at a temporary facility by up to 12 months. The Board shall make rules concerning the conduct of gaming from temporary facilities.

(Source: P.A. 100-391, eff. 8-25-17; 100-1152, eff. 12-14-18.)

(230 ILCS 10/7.3)

Sec. 7.3. State conduct of gambling operations.

(a) If, after reviewing each application for a re-issued license, the Board determines that the highest prospective total revenue to the State would be derived from State conduct of the gambling operation in lieu of re-issuing the license, the Board shall inform each applicant of its decision. The Board shall thereafter have the authority, without obtaining an owners license, to conduct casino or riverboat gambling operations as previously authorized by the terminated, expired, revoked, or nonrenewed license through a licensed manager selected pursuant to an open and competitive bidding process as set forth in Section 7.5 and as provided in Section 7.4.

(b) The Board may locate any casino or riverboat on which a gambling operation is conducted by the State in any home dock or other location authorized by Section 3(c) upon receipt of approval from a majority vote of the governing body of the municipality or county, as the case may be, in which the riverboat will dock.

(c) The Board shall have jurisdiction over and shall supervise all gambling operations conducted by the State provided for in this Act and shall have all powers necessary and proper to fully and effectively execute the provisions of this Act relating to gambling operations conducted by the State.

(d) The maximum number of owners licenses authorized under Section 7.7(e) shall be reduced by one for each instance in which the Board authorizes the State to conduct a casino or riverboat gambling operation under subsection (a) in lieu of re-issuing a license to an applicant under Section 7.1.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7.5)

Sec. 7.5. Competitive Bidding. When the Board determines that (i) it will re-issue an owners license pursuant to an open and competitive bidding process, as set forth in Section 7.1, (ii) ~~or that~~ it will issue a managers license pursuant to an open and competitive bidding process, as set forth in Section 7.4, or (iii) it will issue an owners license pursuant to an open and competitive bidding process, as set forth in Section 7.12, the open and competitive bidding process shall adhere to the following procedures:

(1) The Board shall make applications for owners and managers licenses available to the public and allow a reasonable time for applicants to submit applications to the Board.

(2) During the filing period for owners or managers license applications, the Board may retain the services of an investment banking firm to assist the Board in conducting the open and competitive bidding process.

(3) After receiving all of the bid proposals, the Board shall open all of the proposals in a public forum and disclose the prospective owners or managers names, venture partners, if any, and, in the case of applicants for owners licenses, the locations of the proposed development sites.

(4) The Board shall summarize the terms of the proposals and may make this summary available to the public.

(5) The Board shall evaluate the proposals within a reasonable time and select no more than 3 final applicants to make presentations of their proposals to the Board.

(6) The final applicants shall make their presentations to the Board on the same day during an open session of the Board.

(7) As soon as practicable after the public presentations by the final applicants, the Board, in its discretion, may conduct further negotiations among the 3 final applicants. During such negotiations, each final applicant may increase its license bid or otherwise enhance its bid proposal. At the conclusion of such negotiations, the Board shall select the winning proposal. In the case of negotiations for an owners license, the Board may, at the conclusion of such negotiations, make the determination allowed under Section 7.3(a).

(8) Upon selection of a winning bid, the Board shall evaluate the winning bid within a reasonable period of time for licensee suitability in accordance with all applicable statutory and regulatory criteria.

(9) If the winning bidder is unable or otherwise fails to consummate the transaction, (including if the Board determines that the winning bidder does not satisfy the suitability requirements), the Board may, on the same criteria, select from the remaining bidders or make the determination allowed under Section 7.3(a).

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7.7 new)

Sec. 7.7. Organization gaming licenses.

(a) The Illinois Gaming Board shall award one organization gaming license to each person or entity having operating control of a racetrack that applies under Section 56 of the Illinois Horse Racing Act of 1975, subject to the application and eligibility requirements of this Section. Within 60 days after the effective date of this amendatory Act of the 101st General Assembly, a person or entity having operating control of a racetrack may submit an application for an organization gaming license. The application shall be made on such forms as provided by the Board and shall contain such information as the Board prescribes, including, but not limited to, the identity of any racetrack at which gaming will be conducted pursuant to an organization gaming license, detailed information regarding the ownership and management of the applicant, and detailed personal information regarding the applicant. The application shall specify the number of gaming positions the applicant intends to use and the place where the organization gaming facility will operate. A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

Each applicant shall disclose the identity of every person or entity having a direct or indirect pecuniary interest greater than 1% in any racetrack with respect to which the license is sought. If the disclosed entity is a corporation, the applicant shall disclose the names and addresses of all stockholders and directors. If the disclosed entity is a limited liability company, the applicant shall disclose the names and addresses of all members and managers. If the disclosed entity is a partnership, the applicant shall disclose the names and addresses of all partners, both general and limited. If the disclosed entity is a trust, the applicant shall disclose the names and addresses of all beneficiaries.

An application shall be filed and considered in accordance with the rules of the Board. Each application for an organization gaming license shall include a nonrefundable application fee of \$250,000. In addition, a nonrefundable fee of \$50,000 shall be paid at the time of filing to defray the costs associated with background investigations conducted by the Board. If the costs of the background investigation exceed \$50,000, the applicant shall pay the additional amount to the Board within 7 days after a request by the Board. If the costs of the investigation are less than \$50,000, the applicant shall receive a refund of the remaining amount. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the Board in the course of this review or investigation of an applicant for an organization gaming license under this Act shall be privileged and strictly confidential and shall be used only for the purpose of evaluating an applicant for an organization gaming license or a renewal. Such information, records, interviews, reports, statements, memoranda, or other data shall not be admissible as evidence nor discoverable in any action of any kind in any court or before any tribunal, board, agency or person, except for any action deemed necessary by the Board. The application fee shall be deposited into the State Gaming Fund.

Each applicant shall submit with his or her application, on forms provided by the Board, a set of his or her fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to

defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. This fee shall be paid into the State Police Services Fund.

(b) The Board shall determine within 120 days after receiving an application for an organization gaming license whether to grant an organization gaming license to the applicant. If the Board does not make a determination within that time period, then the Board shall give a written explanation to the applicant as to why it has not reached a determination and when it reasonably expects to make a determination.

The organization gaming licensee shall purchase up to the amount of gaming positions authorized under this Act within 120 days after receiving its organization gaming license. If an organization gaming licensee is prepared to purchase the gaming positions, but is temporarily prohibited from doing so by order of a court of competent jurisdiction or the Board, then the 120-day period is tolled until a resolution is reached.

An organization gaming license shall authorize its holder to conduct gaming under this Act at its racetracks on the same days of the year and hours of the day that owners licenses are allowed to operate under approval of the Board.

An organization gaming license and any renewal of an organization gaming license shall authorize gaming pursuant to this Section for a period of 4 years. The fee for the issuance or renewal of an organization gaming license shall be \$250,000.

All payments by licensees under this subsection (b) shall be deposited into the Rebuild Illinois Projects Fund.

(c) To be eligible to conduct gaming under this Section, a person or entity having operating control of a racetrack must (i) obtain an organization gaming license, (ii) hold an organization license under the Illinois Horse Racing Act of 1975, (iii) hold an inter-track wagering license, (iv) pay an initial fee of \$30,000 per gaming position from organization gaming licensees where gaming is conducted in Cook County and, except as provided in subsection (c-5), \$17,500 for organization gaming licensees where gaming is conducted outside of Cook County before beginning to conduct gaming plus make the reconciliation payment required under subsection (k), (v) conduct live racing in accordance with subsections (e-1), (e-2), and (e-3) of Section 20 of the Illinois Horse Racing Act of 1975, (vi) meet the requirements of subsection (a) of Section 56 of the Illinois Horse Racing Act of 1975, (vii) for organization licensees conducting standardbred race meetings, keep backstretch barns and dormitories open and operational year-round unless a lesser schedule is mutually agreed to by the organization licensee and the horsemen association racing at that organization licensee's race meeting, (viii) for organization licensees conducting thoroughbred race meetings, the organization licensee must maintain accident medical expense liability insurance coverage of \$1,000,000 for jockeys, and (ix) meet all other requirements of this Act that apply to owners licensees.

An organization gaming licensee may enter into a joint venture with a licensed owner to own, manage, conduct, or otherwise operate the organization gaming licensee's organization gaming facilities, unless the organization gaming licensee has a parent company or other affiliated company that is, directly or indirectly, wholly owned by a parent company that is also licensed to conduct organization gaming, casino gaming, or their equivalent in another state.

All payments by licensees under this subsection (c) shall be deposited into the Rebuild Illinois Projects Fund.

(c-5) A person or entity having operating control of a racetrack located in Madison County shall only pay the initial fees specified in subsection (c) for 540 of the gaming positions authorized under the license.

(d) A person or entity is ineligible to receive an organization gaming license if:

(1) the person or entity has been convicted of a felony under the laws of this State, any other state, or the United States, including a conviction under the Racketeer Influenced and Corrupt Organizations Act;

(2) the person or entity has been convicted of any violation of Article 28 of the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person or entity has submitted an application for a license under this Act that contains false information;

(4) the person is a member of the Board;

(5) a person defined in (1), (2), (3), or (4) of this subsection (d) is an officer, director, or managerial employee of the entity;

(6) the person or entity employs a person defined in (1), (2), (3), or (4) of this subsection (d) who participates in the management or operation of gambling operations authorized under this Act; or

(7) a license of the person or entity issued under this Act or a license to own or operate gambling facilities in any other jurisdiction has been revoked.

(e) The Board may approve gaming positions pursuant to an organization gaming license statewide as provided in this Section. The authority to operate gaming positions under this Section shall be allocated

as follows: up to 1,200 gaming positions for any organization gaming licensee in Cook County and up to 900 gaming positions for any organization gaming licensee outside of Cook County.

(f) Each applicant for an organization gaming license shall specify in its application for licensure the number of gaming positions it will operate, up to the applicable limitation set forth in subsection (e) of this Section. Any unreserved gaming positions that are not specified shall be forfeited and retained by the Board. For the purposes of this subsection (f), an organization gaming licensee that did not conduct live racing in 2010 and is located within 3 miles of the Mississippi River may reserve up to 900 positions and shall not be penalized under this Section for not operating those positions until it meets the requirements of subsection (e) of this Section, but such licensee shall not request unreserved gaming positions under this subsection (f) until its 900 positions are all operational.

Thereafter, the Board shall publish the number of unreserved gaming positions and shall accept requests for additional positions from any organization gaming licensee that initially reserved all of the positions that were offered. The Board shall allocate expeditiously the unreserved gaming positions to requesting organization gaming licensees in a manner that maximizes revenue to the State. The Board may allocate any such unused gaming positions pursuant to an open and competitive bidding process, as provided under Section 7.5 of this Act. This process shall continue until all unreserved gaming positions have been purchased. All positions obtained pursuant to this process and all positions the organization gaming licensee specified it would operate in its application must be in operation within 18 months after they were obtained or the organization gaming licensee forfeits the right to operate those positions, but is not entitled to a refund of any fees paid. The Board may, after holding a public hearing, grant extensions so long as the organization gaming licensee is working in good faith to make the positions operational. The extension may be for a period of 6 months. If, after the period of the extension, the organization gaming licensee has not made the positions operational, then another public hearing must be held by the Board before it may grant another extension.

Unreserved gaming positions retained from and allocated to organization gaming licensees by the Board pursuant to this subsection (f) shall not be allocated to owners licensees under this Act.

For the purpose of this subsection (f), the unreserved gaming positions for each organization gaming licensee shall be the applicable limitation set forth in subsection (e) of this Section, less the number of reserved gaming positions by such organization gaming licensee, and the total unreserved gaming positions shall be the aggregate of the unreserved gaming positions for all organization gaming licensees.

(g) An organization gaming licensee is authorized to conduct the following at a racetrack:

(1) slot machine gambling;

(2) video game of chance gambling;

(3) gambling with electronic gambling games as defined in this Act or defined by the Illinois Gaming Board; and

(4) table games.

(h) Subject to the approval of the Illinois Gaming Board, an organization gaming licensee may make modification or additions to any existing buildings and structures to comply with the requirements of this Act. The Illinois Gaming Board shall make its decision after consulting with the Illinois Racing Board. In no case, however, shall the Illinois Gaming Board approve any modification or addition that alters the grounds of the organization licensee such that the act of live racing is an ancillary activity to gaming authorized under this Section. Gaming authorized under this Section may take place in existing structures where inter-track wagering is conducted at the racetrack or a facility within 300 yards of the racetrack in accordance with the provisions of this Act and the Illinois Horse Racing Act of 1975.

(i) An organization gaming licensee may conduct gaming at a temporary facility pending the construction of a permanent facility or the remodeling or relocation of an existing facility to accommodate gaming participants for up to 24 months after the temporary facility begins to conduct gaming authorized under this Section. Upon request by an organization gaming licensee and upon a showing of good cause by the organization gaming licensee, the Board shall extend the period during which the licensee may conduct gaming authorized under this Section at a temporary facility by up to 12 months. The Board shall make rules concerning the conduct of gaming authorized under this Section from temporary facilities.

The gaming authorized under this Section may take place in existing structures where inter-track wagering is conducted at the racetrack or a facility within 300 yards of the racetrack in accordance with the provisions of this Act and the Illinois Horse Racing Act of 1975.

(i-5) Under no circumstances shall an organization gaming licensee conduct gaming at any State or county fair.

(j) The Illinois Gaming Board must adopt emergency rules in accordance with Section 5-45 of the Illinois Administrative Procedure Act as necessary to ensure compliance with the provisions of this amendatory Act of the 101st General Assembly concerning the conduct of gaming by an organization

gaming licensee. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) Each organization gaming licensee who obtains gaming positions must make a reconciliation payment 3 years after the date the organization gaming licensee begins operating the positions in an amount equal to 75% of the difference between its adjusted gross receipts from gaming authorized under this Section and amounts paid to its purse accounts pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 for the 12-month period for which such difference was the largest, minus an amount equal to the initial per position fee paid by the organization gaming licensee. If this calculation results in a negative amount, then the organization gaming licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board.

All payments by licensees under this subsection (k) shall be deposited into the Rebuild Illinois Projects Fund.

(l) As soon as practical after a request is made by the Illinois Gaming Board, to minimize duplicate submissions by the applicant, the Illinois Racing Board must provide information on an applicant for an organization gaming license to the Illinois Gaming Board.

(230 ILCS 10/7.8 new)

Sec. 7.8. Home rule. The regulation and licensing of organization gaming licensees and gaming conducted pursuant to an organization gaming license are exclusive powers and functions of the State. A home rule unit may not regulate or license such gaming or organization gaming licensees. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(230 ILCS 10/7.10 new)

Sec. 7.10. Diversity program.

(a) Each owners licensee, organization gaming licensee, and suppliers licensee shall establish and maintain a diversity program to ensure non-discrimination in the award and administration of contracts. The programs shall establish goals of awarding not less than 25% of the annual dollar value of all contracts, purchase orders, or other agreements to minority-owned businesses and 5% of the annual dollar value of all contracts to women-owned businesses.

(b) Each owners licensee, organization gaming licensee, and suppliers licensee shall establish and maintain a diversity program designed to promote equal opportunity for employment. The program shall establish hiring goals as the Board and each licensee determines appropriate. The Board shall monitor the progress of the gaming licensee's progress with respect to the program's goals.

(c) No later than May 31 of each year, each licensee shall report to the Board (1) the number of respective employees and the number of its respective employees who have designated themselves as members of a minority group and gender and (2) the total goals achieved under subsection (a) of this Section as a percentage of the total contracts awarded by the license. In addition, all licensees shall submit a report with respect to the minority-owned and women-owned businesses program created in this Section to the Board.

(d) When considering whether to re-issue or renew a license to an owners licensee, organization gaming licensee, or suppliers licensee, the Board shall take into account the licensee's success in complying with the provisions of this Section. If an owners licensee, organization gaming licensee, or suppliers licensee has not satisfied the goals contained in this Section, the Board shall require a written explanation as to why the licensee is not in compliance and shall require the licensee to file multi-year metrics designed to achieve compliance with the provisions by the next renewal period, consistent with State and federal law.

(230 ILCS 10/7.11 new)

Sec. 7.11. Annual report on diversity.

(a) Each licensee that receives a license under Sections 7, 7.1, and 7.7 shall execute and file a report with the Board no later than December 31 of each year that shall contain, but not be limited to, the following information:

(i) a good faith affirmative action plan to recruit, train, and upgrade minority persons, women, and persons with a disability in all employment classifications;

(ii) the total dollar amount of contracts that were awarded to businesses owned by minority persons, women, and persons with a disability;

(iii) the total number of businesses owned by minority persons, women, and persons with a disability that were utilized by the licensee;

(iv) the utilization of businesses owned by minority persons, women, and persons with disabilities during the preceding year; and

(v) the outreach efforts used by the licensee to attract investors and businesses consisting of minority persons, women, and persons with a disability.

(b) The Board shall forward a copy of each licensee's annual reports to the General Assembly no later than February 1 of each year. The reports to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(230 ILCS 10/7.12 new)

Sec. 7.12. Issuance of new owners licenses.

(a) Owners licenses newly authorized pursuant to this amendatory Act of the 101st General Assembly may be issued by the Board to a qualified applicant pursuant to an open and competitive bidding process, as set forth in Section 7.5, and subject to the maximum number of authorized licenses set forth in subsection (e-5) of Section 7 of this Act.

(b) To be a qualified applicant, a person or entity may not be ineligible to receive an owners license under subsection (a) of Section 7 of this Act and must submit an application for an owners license that complies with Section 6 of this Act.

(c) In determining whether to grant an owners license to an applicant, the Board shall consider all of the factors set forth in subsections (b) and (e-10) of Section 7 of this Act, as well as the amount of the applicant's license bid. The Board may grant the owners license to an applicant that has not submitted the highest license bid, but if it does not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected and identifying the factors set forth in subsections (b) and (e-10) of Section 7 of this Act that favored the winning bidder.

(230 ILCS 10/7.13 new)

Sec. 7.13. Environmental standards. All permanent casinos, riverboats, and organization gaming facilities shall consist of buildings that are certified as meeting the U.S. Green Building Council's Leadership in Energy and Environmental Design standards. The provisions of this Section apply to a holder of an owners license or organization gaming license that (i) begins operations on or after January 1, 2019 or (ii) relocates its facilities on or after the effective date of this amendatory Act of the 101st General Assembly.

(230 ILCS 10/7.14 new)

Sec. 7.14. Chicago Casino Advisory Committee. An Advisory Committee is established to monitor, review, and report on (1) the utilization of minority-owned business enterprises and women-owned business enterprises by the owners licensee, (2) employment of women, and (3) employment of minorities with regard to the development and construction of the casino as authorized under paragraph (1) of subsection (e-5) of Section 7 of the Illinois Gambling Act. The owners licensee under paragraph (1) of subsection (e-5) of Section 7 of the Illinois Gambling Act shall work with the Advisory Committee in accumulating necessary information for the Advisory Committee to submit reports, as necessary, to the General Assembly and to the City of Chicago.

The Advisory Committee shall consist of 9 members as provided in this Section. Five members shall be selected by the Governor and 4 members shall be selected by the Mayor of the City of Chicago. The Governor and the Mayor of the City of Chicago shall each appoint at least one current member of the General Assembly. The Advisory Committee shall meet periodically and shall report the information to the Mayor of the City of Chicago and to the General Assembly by December 31st of every year.

The Advisory Committee shall be dissolved on the date that casino gambling operations are first conducted at a permanent facility under the license authorized under paragraph (1) of subsection (e-5) Section 7 of the Illinois Gambling Act. For the purposes of this Section, the terms "woman" and "minority person" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(230 ILCS 10/7.15 new)

Sec. 7.15. Limitations on gaming at Chicago airports. The Chicago casino may conduct gaming operations in an airport under the administration or control of the Chicago Department of Aviation. Gaming operations may be conducted pursuant to this Section so long as: (i) gaming operations are conducted in a secured area that is beyond the Transportation Security Administration security checkpoints and only available to airline passengers at least 21 years of age who are members of a private club, and not to the general public, (ii) gaming operations are limited to slot machines, as defined in Section 4 of the Illinois Gambling Act, and (iii) the combined number of gaming positions operating in the City of Chicago at the airports and at the temporary and permanent casino facility does not exceed the maximum number of gaming positions authorized pursuant to subsection (h) of Section 7 of the Illinois Gambling Act. Gaming operations at an airport are subject to all applicable laws and rules that apply to any other gaming facility under the Illinois Gambling Act.

(230 ILCS 10/8) (from Ch. 120, par. 2408)

Sec. 8. Suppliers licenses.

(a) The Board may issue a suppliers license to such persons, firms or corporations which apply therefor upon the payment of a non-refundable application fee set by the Board, upon a determination by the Board that the applicant is eligible for a suppliers license and upon payment of a \$5,000 annual license fee.

(b) The holder of a suppliers license is authorized to sell or lease, and to contract to sell or lease, gambling equipment and supplies to any licensee involved in the ownership or management of gambling operations.

(c) Gambling supplies and equipment may not be distributed unless supplies and equipment conform to standards adopted by rules of the Board.

(d) A person, firm or corporation is ineligible to receive a suppliers license if:

(1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;

(2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person has submitted an application for a license under this Act which contains false information;

(4) the person is a member of the Board;

(5) the ~~entity firm or corporation~~ is one in which a person defined in (1), (2), (3) or (4), is an officer, director or managerial employee;

(6) the firm or corporation employs a person who participates in the management or operation of ~~riverboat~~ gambling authorized under this Act;

(7) the license of the person, firm or corporation issued under this Act, or a license to own or operate gambling facilities in any other jurisdiction, has been revoked.

(e) Any person that supplies any equipment, devices, or supplies to a licensed ~~riverboat~~ gambling operation must first obtain a suppliers license. A supplier shall furnish to the Board a list of all equipment, devices and supplies offered for sale or lease in connection with gambling games authorized under this Act. A supplier shall keep books and records for the furnishing of equipment, devices and supplies to gambling operations separate and distinct from any other business that the supplier might operate. A supplier shall file a quarterly return with the Board listing all sales and leases. A supplier shall permanently affix its name or a distinctive logo or other mark or design element identifying the manufacturer or supplier to all its equipment, devices, and supplies, except gaming chips without a value impressed, engraved, or imprinted on it, for gambling operations. The Board may waive this requirement for any specific product or products if it determines that the requirement is not necessary to protect the integrity of the game. Items purchased from a licensed supplier may continue to be used even though the supplier subsequently changes its name, distinctive logo, or other mark or design element; undergoes a change in ownership; or ceases to be licensed as a supplier for any reason. Any supplier's equipment, devices or supplies which are used by any person in an unauthorized gambling operation shall be forfeited to the State. A holder of an owners license or an organization gaming license ~~A licensed owner~~ may own its own equipment, devices and supplies. Each holder of an owners license or an organization gaming license under the Act shall file an annual report listing its inventories of gambling equipment, devices and supplies.

(f) Any person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) Any gambling equipment, devices and supplies provided by any licensed supplier may either be repaired on the riverboat, in the casino, or at the organization gaming facility or removed from the riverboat, casino, or organization gaming facility to a ~~an on-shore~~ facility owned by the holder of an owners license, organization gaming license, or suppliers license for repair.

(Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13; 98-756, eff. 7-16-14.)

(230 ILCS 10/9) (from Ch. 120, par. 2409)

Sec. 9. Occupational licenses.

(a) The Board may issue an occupational license to an applicant upon the payment of a non-refundable fee set by the Board, upon a determination by the Board that the applicant is eligible for an occupational license and upon payment of an annual license fee in an amount to be established. To be eligible for an occupational license, an applicant must:

(1) be at least 21 years of age if the applicant will perform any function involved in

gaming by patrons. Any applicant seeking an occupational license for a non-gaming function shall be at least 18 years of age;

(2) not have been convicted of a felony offense, a violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar statute of any other jurisdiction;

(2.5) not have been convicted of a crime, other than a crime described in item (2) of this subsection (a), involving dishonesty or moral turpitude, except that the Board may, in its discretion, issue an occupational license to a person who has been convicted of a crime described in this item (2.5) more than 10 years prior to his or her application and has not subsequently been convicted of any other crime;

(3) have demonstrated a level of skill or knowledge which the Board determines to be necessary in order to operate gambling aboard a riverboat, in a casino, or at an organization gaming facility; and

(4) have met standards for the holding of an occupational license as adopted by rules of the Board. Such rules shall provide that any person or entity seeking an occupational license to manage gambling operations under this Act hereunder shall be subject to background inquiries and further requirements similar to those required of applicants for an owners license. Furthermore, such rules shall provide that each such entity shall be permitted to manage gambling operations for only one licensed owner.

(b) Each application for an occupational license shall be on forms prescribed by the Board and shall contain all information required by the Board. The applicant shall set forth in the application: whether he has been issued prior gambling related licenses; whether he has been licensed in any other state under any other name, and, if so, such name and his age; and whether or not a permit or license issued to him in any other state has been suspended, restricted or revoked, and, if so, for what period of time.

(c) Each applicant shall submit with his application, on forms provided by the Board, 2 sets of his fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund.

(d) The Board may in its discretion refuse an occupational license to any person: (1) who is unqualified to perform the duties required of such applicant; (2) who fails to disclose or states falsely any information called for in the application; (3) who has been found guilty of a violation of this Act or whose prior gambling related license or application therefor has been suspended, restricted, revoked or denied for just cause in any other state; or (4) for any other just cause.

(e) The Board may suspend, revoke or restrict any occupational licensee: (1) for violation of any provision of this Act; (2) for violation of any of the rules and regulations of the Board; (3) for any cause which, if known to the Board, would have disqualified the applicant from receiving such license; or (4) for default in the payment of any obligation or debt due to the State of Illinois; or (5) for any other just cause.

(f) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) Any license issued pursuant to this Section shall be valid for a period of one year from the date of issuance.

(h) Nothing in this Act shall be interpreted to prohibit a licensed owner or organization gaming licensee from entering into an agreement with a public community college or a school approved under the Private Business and Vocational Schools Act of 2012 for the training of any occupational licensee. Any training offered by such a school shall be in accordance with a written agreement between the licensed owner or organization gaming licensee and the school.

(i) Any training provided for occupational licensees may be conducted either at the site of the gambling facility on the riverboat or at a school with which a licensed owner or organization gaming licensee has entered into an agreement pursuant to subsection (h).

(Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12; 97-1150, eff. 1-25-13.)
(230 ILCS 10/11) (from Ch. 120, par. 2411)

Sec. 11. Conduct of gambling. Gambling may be conducted by licensed owners or licensed managers on behalf of the State aboard riverboats. Gambling may be conducted by organization gaming licensees at organization gaming facilities. Gambling authorized under this Section is ; subject to the following standards:

(1) A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of patrons passengers on a riverboat not used for excursion cruises for the purpose of gambling. Excursion cruises shall not exceed 4 hours for a round trip. However, the Board may grant express approval for an extended cruise on a case-by-case basis.

(1.5) An owners licensee may conduct gambling operations authorized under this Act 24 hours a day.

(2) (Blank).

(3) Minimum and maximum wagers on games shall be set by the licensee.

(4) Agents of the Board and the Department of State Police may board and inspect any riverboat, enter and inspect any portion of a casino, or enter and inspect any portion of an organization gaming facility at any time for the purpose of determining whether this Act is being complied with. Every riverboat, if under way and being hailed by a law enforcement officer or agent of the Board, must stop immediately and lay to.

(5) Employees of the Board shall have the right to be present on the riverboat or in the casino or on adjacent facilities under the control of the licensee and at the organization gaming facility under the control of the organization gaming licensee.

(6) Gambling equipment and supplies customarily used in conducting ~~riverboat~~ gambling must be purchased or leased only from suppliers licensed for such purpose under this Act. The Board may approve the transfer, sale, or lease of gambling equipment and supplies by a licensed owner from or to an affiliate of the licensed owner as long as the gambling equipment and supplies were initially acquired from a supplier licensed in Illinois.

(7) Persons licensed under this Act shall permit no form of wagering on gambling games except as permitted by this Act.

(8) Wagers may be received only from a person present on a licensed riverboat, in a casino, or at an organization gaming facility. No

person present on a licensed riverboat, in a casino, or at an organization gaming facility shall place or attempt to place a wager on behalf of another person who is not present on the riverboat, in a casino, or at the organization gaming facility.

(9) Wagering, including gaming authorized under Section 7.7, shall not be conducted with money or other negotiable currency.

(10) A person under age 21 shall not be permitted on an area of a riverboat or casino where gambling is being conducted or at an organization gaming facility where gambling is being conducted, except for a person at least 18 years of age who is an employee of the riverboat or casino gambling operation or gaming operation. No employee under age 21 shall perform any function involved in gambling by the patrons. No person under age 21 shall be permitted to make a wager under this Act, and any winnings that are a result of a wager by a person under age 21, whether or not paid by a licensee, shall be treated as winnings for the privilege tax purposes, confiscated, and forfeited to the State and deposited into the Education Assistance Fund.

(11) Gambling excursion cruises are permitted only when the waterway for which the riverboat is licensed is navigable, as determined by the Board in consultation with the U.S. Army Corps of Engineers. This paragraph (11) does not limit the ability of a licensee to conduct gambling authorized under this Act when gambling excursion cruises are not permitted.

(12) All ~~tickets~~ tokens, chips , or electronic cards used to make wagers must be purchased (i) from a licensed owner or manager, in the case of a riverboat, either aboard a riverboat or at an onshore facility which has been approved by the Board and which is located where the riverboat docks, (ii) in the case of a casino, from a licensed owner at the casino, or (iii) from an organization gaming licensee at the organization gaming facility. The ~~tickets~~ tokens, chips , or electronic cards may be purchased by means of an agreement under which the owner or manager extends credit to the patron. Such ~~tickets~~ tokens, chips , or electronic cards may be used while aboard the riverboat, in the casino, or at the organization gaming facility only for the purpose of making wagers on gambling games.

(13) Notwithstanding any other Section of this Act, in addition to the other licenses authorized under this Act, the Board may issue special event licenses allowing persons who are not otherwise licensed to conduct riverboat gambling to conduct such gambling on a specified date or series of dates. Riverboat gambling under such a license may take place on a riverboat not normally used for riverboat gambling. The Board shall establish standards, fees and fines for, and limitations upon, such licenses, which may differ from the standards, fees, fines and limitations otherwise applicable under this Act. All such fees shall be deposited into the State Gaming Fund. All such fines shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(14) In addition to the above, gambling must be conducted in accordance with all rules adopted by the Board.

(Source: P.A. 96-1392, eff. 1-1-11.)

(230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

Sec. 11.1. Collection of amounts owing under credit agreements. Notwithstanding any applicable statutory provision to the contrary, a licensed owner, licensed or manager , or organization gaming licensee who extends credit to a ~~riverboat~~ gambling patron pursuant to paragraph (12) of Section 11 ~~Section 11(a)~~ (12) of this Act is expressly authorized to institute a cause of action to collect any amounts due and owing

under the extension of credit, as well as the licensed owner's, licensed or manager's, or organization gaming licensee's costs, expenses and reasonable attorney's fees incurred in collection.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/12) (from Ch. 120, par. 2412)

Sec. 12. Admission tax; fees.

(a) A tax is hereby imposed upon admissions to riverboat and casino gambling facilities ~~riverboats~~ operated by licensed owners authorized pursuant to this Act. Until July 1, 2002, the rate is \$2 per person admitted. From July 1, 2002 until July 1, 2003, the rate is \$3 per person admitted. From July 1, 2003 until August 23, 2005 (the effective date of Public Act 94-673), for a licensee that admitted 1,000,000 persons or fewer in the previous calendar year, the rate is \$3 per person admitted; for a licensee that admitted more than 1,000,000 but no more than 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 per person admitted. Beginning on August 23, 2005 (the effective date of Public Act 94-673), for a licensee that admitted 1,000,000 persons or fewer in calendar year 2004, the rate is \$2 per person admitted, and for all other licensees, including licensees that were not conducting gambling operations in 2004, the rate is \$3 per person admitted. This admission tax is imposed upon the licensed owner conducting gambling.

(1) The admission tax shall be paid for each admission, except that a person who exits a riverboat gambling facility and reenters that riverboat gambling facility within the same gaming day shall be subject only to the initial admission tax.

(2) (Blank).

(3) The riverboat licensee may issue tax-free passes to actual and necessary officials and employees of the licensee or other persons actually working on the riverboat.

(4) The number and issuance of tax-free passes is subject to the rules of the Board, and a list of all persons to whom the tax-free passes are issued shall be filed with the Board.

(a-5) A fee is hereby imposed upon admissions operated by licensed managers on behalf of the State pursuant to Section 7.3 at the rates provided in this subsection (a-5). For a licensee that admitted 1,000,000 persons or fewer in the previous calendar year, the rate is \$3 per person admitted; for a licensee that admitted more than 1,000,000 but no more than 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 per person admitted.

(1) The admission fee shall be paid for each admission.

(2) (Blank).

(3) The licensed manager may issue fee-free passes to actual and necessary officials and employees of the manager or other persons actually working on the riverboat.

(4) The number and issuance of fee-free passes is subject to the rules of the Board, and a list of all persons to whom the fee-free passes are issued shall be filed with the Board.

(b) Except as provided in subsection (b-5), from From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), a municipality shall receive from the State \$1 for each person embarking on a riverboat docked within the municipality or entering a casino located within the municipality, and a county shall receive \$1 for each person entering a casino or embarking on a riverboat docked within the county but outside the boundaries of any municipality. The municipality's or county's share shall be collected by the Board on behalf of the State and remitted quarterly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(b-5) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), \$1 for each person embarking on a riverboat designated in paragraph (4) of subsection (e-5) of Section 7 shall be divided as follows: \$0.70 to the City of Rockford, \$0.05 to the City of Loves Park, \$0.05 to the Village of Machesney Park, and \$0.20 to Winnebago County.

The municipality's or county's share shall be collected by the Board on behalf of the State and remitted monthly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(b-10) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), \$1 for each person embarking on a riverboat or entering a casino designated in paragraph (1) of subsection (e-5) of Section 7 shall be divided as follows: \$0.70 to the City of Chicago, \$0.15 to the Village of Maywood, and \$0.15 to the Village of Summit.

The municipality's or county's share shall be collected by the Board on behalf of the State and remitted monthly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(b-15) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), \$1 for each person embarking on a riverboat or entering a casino designated in paragraph (2) of subsection (e-5) of Section 7 shall be divided as follows: \$0.70 to the City of Danville and \$0.30 to Vermilion County.

The municipality's or county's share shall be collected by the Board on behalf of the State and remitted monthly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(c) The licensed owner shall pay the entire admission tax to the Board and the licensed manager shall pay the entire admission fee to the Board. Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board which shall include other information regarding admissions as the Board may require. Failure to submit either the payment or the return within the specified time may result in suspension or revocation of the owners or managers license.

(c-5) A tax is imposed on admissions to organization gaming facilities at the rate of \$3 per person admitted by an organization gaming licensee. The tax is imposed upon the organization gaming licensee.

(1) The admission tax shall be paid for each admission, except that a person who exits an organization gaming facility and reenters that organization gaming facility within the same gaming day, as the term "gaming day" is defined by the Board by rule, shall be subject only to the initial admission tax. The Board shall establish, by rule, a procedure to determine whether a person admitted to an organization gaming facility has paid the admission tax.

(2) An organization gaming licensee may issue tax-free passes to actual and necessary officials and employees of the licensee and other persons associated with its gaming operations.

(3) The number and issuance of tax-free passes is subject to the rules of the Board, and a list of all persons to whom the tax-free passes are issued shall be filed with the Board.

(4) The organization gaming licensee shall pay the entire admission tax to the Board.

Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board, which shall include other information regarding admission as the Board may require. Failure to submit either the payment or the return within the specified time may result in suspension or revocation of the organization gaming license.

From the tax imposed under this subsection (c-5), a municipality other than the Village of Stickney or the City of Collinsville in which an organization gaming facility is located, or if the organization gaming facility is not located within a municipality, then the county in which the organization gaming facility is located, except as otherwise provided in this Section, shall receive, subject to appropriation, \$1 for each person who enters the organization gaming facility. For each admission to the organization gaming facility in excess of 1,500,000 in a year, from the tax imposed under this subsection (c-5), the county in which the organization gaming facility is located shall receive, subject to appropriation, \$0.30, which shall be in addition to any other moneys paid to the county under this Section.

From the tax imposed under this subsection (c-5) on an organization gaming facility located in the Village of Stickney, \$1 for each person who enters the organization gaming facility shall be distributed as follows, subject to appropriation: \$0.24 to the Village of Stickney, \$0.49 to the Town of Cicero, \$0.05 to the City of Berwyn, and \$0.17 to the Stickney Public Health District, and \$0.05 to the City of Bridgeview.

From the tax imposed under this subsection (c-5) on an organization gaming facility located in the City of Collinsville, the following shall each receive 10 cents for each person who enters the organization gaming facility, subject to appropriation: the Village of Alorton; the Village of Washington Park; State Park Place; the Village of Fairmont City; the City of Centreville; the Village of Brooklyn; the City of Venice; the City of Madison; the Village of Caseyville; and the Village of Pontoon Beach.

On the 25th day of each month, all amounts remaining after payments required under this subsection (c-5) have been made shall be transferred into the Capital Projects Fund.

(d) The Board shall administer and collect the admission tax imposed by this Section, to the extent practicable, in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

(230 ILCS 10/13) (from Ch. 120, par. 2413)

Sec. 13. Wagering tax; rate; distribution.

(a) Until January 1, 1998, a tax is imposed on the adjusted gross receipts received from gambling games authorized under this Act at the rate of 20%.

(a-1) From January 1, 1998 until July 1, 2002, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

20% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

25% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

30% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

35% of annual adjusted gross receipts in excess of \$100,000,000.

(a-2) From July 1, 2002 until July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

(a-3) Beginning July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

27.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$37,500,000;

32.5% of annual adjusted gross receipts in excess of \$37,500,000 but not exceeding \$50,000,000;

37.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

45% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

50% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$250,000,000;

70% of annual adjusted gross receipts in excess of \$250,000,000.

An amount equal to the amount of wagering taxes collected under this subsection (a-3) that are in addition to the amount of wagering taxes that would have been collected if the wagering tax rates under subsection (a-2) were in effect shall be paid into the Common School Fund.

The privilege tax imposed under this subsection (a-3) shall no longer be imposed beginning on the earlier of (i) July 1, 2005; (ii) the first date after June 20, 2003 that riverboat gambling operations are conducted pursuant to a dormant license; or (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act. For the purposes of this subsection (a-3), the term "dormant license" means an owners license that is authorized by this Act under which no riverboat gambling operations are being conducted on June 20, 2003.

(a-4) Beginning on the first day on which the tax imposed under subsection (a-3) is no longer imposed and ending upon the imposition of the privilege tax under subsection (a-5) of this Section, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding

\$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding

\$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding

\$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding

\$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

For the imposition of the privilege tax in this subsection (a-4), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

(a-5) Beginning on the first day that an owners licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, a privilege tax is imposed on persons engaged in the business of conducting gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by such licensee from the gambling games authorized under this Act. The privilege tax for all gambling games other than table games, including, but not limited to, slot machines, video game of chance gambling, and electronic gambling games shall be at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

The privilege tax for table games shall be at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

20% of annual adjusted gross receipts in excess of \$25,000,000.

For the imposition of the privilege tax in this subsection (a-5), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

Notwithstanding the provisions of this subsection (a-5), for the first 10 years that the privilege tax is imposed under this subsection (a-5), the privilege tax shall be imposed on the modified annual adjusted gross receipts of a riverboat or casino conducting gambling operations in the City of East St. Louis, unless:

(1) the riverboat or casino fails to employ at least 450 people;

(2) the riverboat or casino fails to maintain operations in a manner consistent with this Act or is not a viable riverboat or casino subject to the approval of the Board; or

(3) the owners licensee is not an entity in which employees participate in an employee stock ownership plan.

As used in this subsection (a-5), "modified annual adjusted gross receipts" means:

(A) for calendar year 2020, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 2014, 2015, 2016, 2017, and 2018 and the annual adjusted gross receipts for 2018;

(B) for calendar year 2021, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 2014, 2015, 2016, 2017, and 2018 and the annual adjusted gross receipts for 2019; and

(C) for calendar years 2022 through 2029, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 3 years preceding the current year and the annual adjusted gross receipts for the immediately preceding year.

(a-5.5) In addition to the privilege tax imposed under subsection (a-5), a privilege tax is imposed on the owners licensee under paragraph (1) of subsection (e-5) of Section 7 at the rate of one-third of the owners licensee's adjusted gross receipts.

For the imposition of the privilege tax in this subsection (a-5.5), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

(a-6) From the effective date of this amendatory Act of the 101st General Assembly until June 30, 2023, an owners licensee that conducted gambling operations prior to January 1, 2011 shall receive a dollar-for-dollar credit against the tax imposed under this Section for any renovation or construction costs paid by the owners licensee, but in no event shall the credit exceed \$2,000,000.

Additionally, from the effective date of this amendatory Act of the 101st General Assembly until December 31, 2022, an owners licensee that (i) is located within 15 miles of the Missouri border, and (ii) has at least 3 riverboats, casinos, or their equivalent within a 45-mile radius, may be authorized to relocate to a new location with the approval of both the unit of local government designated as the home dock and the Board, so long as the new location is within the same unit of local government and no more than 3 miles away from its original location. Such owners licensee shall receive a credit against the tax imposed under this Section equal to 8% of the total project costs, as approved by the Board, for any renovation or construction costs paid by the owners licensee for the construction of the new facility, provided that the new facility is operational by July 1, 2022. In determining whether or not to approve a relocation, the Board must consider the extent to which the relocation will diminish the gaming revenues received by other Illinois gaming facilities.

(a-7) Beginning in the initial adjustment year and through the final adjustment year, if the total obligation imposed pursuant to either subsection (a-5) or (a-6) will result in an owners licensee receiving less after-tax adjusted gross receipts than it received in calendar year 2018, then the total amount of privilege taxes that the owners licensee is required to pay for that calendar year shall be reduced to the extent necessary so that the after-tax adjusted gross receipts in that calendar year equals the after-tax adjusted gross receipts in calendar year 2018, but the privilege tax reduction shall not exceed the annual adjustment cap. If pursuant to this subsection (a-7), the total obligation imposed pursuant to either subsection (a-5) or (a-6) shall be reduced, then the owners licensee shall not receive a refund from the State at the end of the subject calendar year but instead shall be able to apply that amount as a credit against any payments it owes to the State in the following calendar year to satisfy its total obligation under either subsection (a-5) or (a-6). The credit for the final adjustment year shall occur in the calendar year following the final adjustment year.

If an owners licensee that conducted gambling operations prior to January 1, 2019 expands its riverboat or casino, including, but not limited to, with respect to its gaming floor, additional non-gaming amenities such as restaurants, bars, and hotels and other additional facilities, and incurs construction and other costs related to such expansion from the effective date of this amendatory Act of the 101st General Assembly until the 5th anniversary of the effective date of this amendatory Act of the 101st General Assembly, then for each \$15,000,000 spent for any such construction or other costs related to expansion paid by the owners licensee, the final adjustment year shall be extended by one year and the annual adjustment cap shall increase by 0.2% of adjusted gross receipts during each calendar year until and including the final adjustment year. No further modifications to the final adjustment year or annual adjustment cap shall be made after \$75,000,000 is incurred in construction or other costs related to expansion so that the final adjustment year shall not extend beyond the 9th calendar year after the initial adjustment year, not including the initial adjustment year, and the annual adjustment cap shall not exceed 4% of adjusted gross receipts in a particular calendar year. Construction and other costs related to expansion shall include all project related costs, including, but not limited to, all hard and soft costs, financing costs, on or off-site ground, road or utility work, cost of gaming equipment and all other personal property, initial fees assessed for each incremental gaming position, and the cost of incremental land acquired for such expansion. Soft costs shall include, but not be limited to, legal fees, architect, engineering and design costs, other consultant costs, insurance cost, permitting costs, and pre-opening costs related to the expansion, including, but not limited to, any of the following: marketing, real estate taxes, personnel, training, travel and out-of-pocket expenses, supply, inventory, and other costs, and any other project related soft costs.

To be eligible for the tax credits in subsection (a-6), all construction contracts shall include a requirement that the contractor enter into a project labor agreement with the building and construction trades council with geographic jurisdiction of the location of the proposed gaming facility.

Notwithstanding any other provision of this subsection (a-7), this subsection (a-7) does not apply to an owners licensee unless such owners licensee spends at least \$15,000,000 on construction and other costs related to its expansion, excluding the initial fees assessed for each incremental gaming position.

This subsection (a-7) does not apply to owners licensees authorized pursuant to subsection (e-5) of Section 7 of this Act.

For purposes of this subsection (a-7):

"Building and construction trades council" means any organization representing multiple construction entities that are monitoring or attentive to compliance with public or workers' safety laws, wage and hour

requirements, or other statutory requirements or that are making or maintaining collective bargaining agreements.

"Initial adjustment year" means the year commencing on January 1 of the calendar year immediately following the earlier of the following:

(1) the commencement of gambling operations, either in a temporary or permanent facility, with respect to the owners license authorized under paragraph (1) of subsection (e-5) of Section 7 of this Act; or

(2) 24 months after the effective date of this amendatory Act of the 101st General Assembly, provided the initial adjustment year shall not commence earlier than 12 months after the effective date of this amendatory Act of the 101st General Assembly.

"Final adjustment year" means the 2nd calendar year after the initial adjustment year, not including the initial adjustment year, and as may be extended further as described in this subsection (a-7).

"Annual adjustment cap" means 3% of adjusted gross receipts in a particular calendar year, and as may be increased further as otherwise described in this subsection (a-7).

(a-8) Riverboat gambling operations conducted by a licensed manager on behalf of the State are not subject to the tax imposed under this Section.

(a-9) Beginning on January 1, 2020, the calculation of gross receipts or adjusted gross receipts, for the purposes of this Section, for a riverboat, a casino, or an organization gaming facility shall not include the dollar amount of non-cashable vouchers, coupons, and electronic promotions redeemed by wagerers upon the riverboat, in the casino, or in the organization gaming facility up to and including an amount not to exceed 20% of a riverboat's, a casino's, or an organization gaming facility's adjusted gross receipts.

The Illinois Gaming Board shall submit to the General Assembly a comprehensive report no later than March 31, 2023 detailing, at a minimum, the effect of removing non-cashable vouchers, coupons, and electronic promotions from this calculation on net gaming revenues to the State in calendar years 2020 through 2022, the increase or reduction in wagerers as a result of removing non-cashable vouchers, coupons, and electronic promotions from this calculation, the effect of the tax rates in subsection (a-5) on net gaming revenues to this State, and proposed modifications to the calculation.

(a-10) The taxes imposed by this Section shall be paid by the licensed owner or the organization gaming licensee to the Board not later than 5:00 o'clock p.m. of the day after the day when the wagers were made.

(a-15) If the privilege tax imposed under subsection (a-3) is no longer imposed pursuant to item (i) of the last paragraph of subsection (a-3), then by June 15 of each year, each owners licensee, other than an owners licensee that admitted 1,000,000 persons or fewer in calendar year 2004, must, in addition to the payment of all amounts otherwise due under this Section, pay to the Board a reconciliation payment in the amount, if any, by which the licensed owner's base amount exceeds the amount of net privilege tax paid by the licensed owner to the Board in the then current State fiscal year. A licensed owner's net privilege tax obligation due for the balance of the State fiscal year shall be reduced up to the total of the amount paid by the licensed owner in its June 15 reconciliation payment. The obligation imposed by this subsection (a-15) is binding on any person, firm, corporation, or other entity that acquires an ownership interest in any such owners license. The obligation imposed under this subsection (a-15) terminates on the earliest of: (i) July 1, 2007, (ii) the first day after the effective date of this amendatory Act of the 94th General Assembly that riverboat gambling operations are conducted pursuant to a dormant license, (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act, or (iv) the first day that a licensee under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming devices. The Board must reduce the obligation imposed under this subsection (a-15) by an amount the Board deems reasonable for any of the following reasons: (A) an act or acts of God, (B) an act of bioterrorism or terrorism or a bioterrorism or terrorism threat that was investigated by a law enforcement agency, or (C) a condition beyond the control of the owners licensee that does not result from any act or omission by the owners licensee or any of its agents and that poses a hazardous threat to the health and safety of patrons. If an owners licensee pays an amount in excess of its liability under this Section, the Board shall apply the overpayment to future payments required under this Section.

For purposes of this subsection (a-15):

"Act of God" means an incident caused by the operation of an extraordinary force that cannot be foreseen, that cannot be avoided by the exercise of due care, and for which no person can be held liable.

"Base amount" means the following:

For a riverboat in Alton, \$31,000,000.

For a riverboat in East Peoria, \$43,000,000.

For the Empress riverboat in Joliet, \$86,000,000.

For a riverboat in Metropolis, \$45,000,000.

For the Harrah's riverboat in Joliet, \$114,000,000.

For a riverboat in Aurora, \$86,000,000.

For a riverboat in East St. Louis, \$48,500,000.

For a riverboat in Elgin, \$198,000,000.

"Dormant license" has the meaning ascribed to it in subsection (a-3).

"Net privilege tax" means all privilege taxes paid by a licensed owner to the Board under this Section, less all payments made from the State Gaming Fund pursuant to subsection (b) of this Section.

The changes made to this subsection (a-15) by Public Act 94-839 are intended to restate and clarify the intent of Public Act 94-673 with respect to the amount of the payments required to be made under this subsection by an owners licensee to the Board.

(b) From Until January 1, 1998, 25% of the tax revenue deposited in the State Gaming Fund under this Section shall be paid, subject to appropriation by the General Assembly, to the unit of local government which is designated as the home dock of the riverboat. Beginning January 1, 1998, from the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by a riverboat or a casino, other than a riverboat or casino designated in paragraph (1), (3), or (4) of subsection (e-5) of Section 7, shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government in which the casino is located or that is designated as the home dock of the riverboat. Notwithstanding anything to the contrary, beginning on the first day that an owners licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and for 2 years thereafter, a unit of local government designated as the home dock of a riverboat whose license was issued before January 1, 2019, other than a riverboat conducting gambling operations in the City of East St. Louis, shall not receive less under this subsection (b) than the amount the unit of local government received under this subsection (b) in calendar year 2018. Notwithstanding anything to the contrary and because the City of East St. Louis is a financially distressed city, beginning on the first day that an owners licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and for 10 years thereafter, a unit of local government designated as the home dock of a riverboat conducting gambling operations in the City of East St. Louis shall not receive less under this subsection (b) than the amount the unit of local government received under this subsection (b) in calendar year 2018.

From the tax revenue deposited in the State Gaming Fund pursuant to riverboat or casino gambling operations conducted by a licensed manager on behalf of the State, an amount equal to 5% of adjusted gross receipts generated pursuant to those riverboat or casino gambling operations shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat upon which those riverboat gambling operations are conducted or in which the casino is located.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (3) of subsection (e-5) of Section 7 shall be divided and remitted monthly, subject to appropriation, as follows: 70% to Waukegan, 10% to Park City, 15% to North Chicago, and 5% to Lake County.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (4) of subsection (e-5) of Section 7 shall be remitted monthly, subject to appropriation, as follows: 70% to the City of Rockford, 5% to the City of Loves Park, 5% to the Village of Machesney, and 20% to Winnebago County.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (5) of subsection (e-5) of Section 7 shall be remitted monthly, subject to appropriation, as follows: 2% to the unit of local government in which the riverboat or casino is located, and 3% shall be distributed: (A) in accordance with a regional capital development plan entered into by the following communities: Village of Beecher, City of Blue Island, Village of Burnham, City of Calumet City, Village of Calumet Park, City of Chicago Heights, City of Country Club Hills, Village of Crestwood, Village of Crete, Village of Dixmoor, Village of Dolton, Village of East Hazel Crest, Village of Flossmoor, Village of Ford Heights, Village of Glenwood, City of Harvey, Village of Hazel Crest, Village of Homewood, Village of Lansing, Village of Lynwood, City of Markham, Village of Matteson, Village of Midlothian, Village of Monee, City of Oak Forest, Village of Olympia Fields, Village of Orland Hills, Village of Orland Park, City of Palos Heights, Village of Park Forest, Village of Phoenix, Village of Posen, Village of Richton Park, Village of Riverdale, Village of Robbins, Village of Sauk Village, Village of South

Chicago Heights, Village of South Holland, Village of Steger, Village of Thornton, Village of Tinley Park, Village of University Park and Village of Worth; or (B) if no regional capital development plan exists, equally among the communities listed in item (A) to be used for capital expenditures or public pension payments, or both.

Units of local government may refund any portion of the payment that they receive pursuant to this subsection (b) to the riverboat or casino.

(b-4) Beginning on the first day the licensee under paragraph (5) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and ending on July 31, 2042, from the tax revenue deposited in the State Gaming Fund under this Section, \$5,000,000 shall be paid annually, subject to appropriation, to the host municipality of that owners licensee of a license issued or re-issued pursuant to Section 7.1 of this Act before January 1, 2012. Payments received by the host municipality pursuant to this subsection (b-4) may not be shared with any other unit of local government.

(b-5) Beginning on the effective date of this amendatory Act of the 101st General Assembly, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 3% of adjusted gross receipts generated by each organization gaming facility located outside Madison County shall be paid monthly, subject to appropriation by the General Assembly, to a municipality other than the Village of Stickney in which each organization gaming facility is located or, if the organization gaming facility is not located within a municipality, to the county in which the organization gaming facility is located, except as otherwise provided in this Section. From the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 3% of adjusted gross receipts generated by an organization gaming facility located in the Village of Stickney shall be paid monthly, subject to appropriation by the General Assembly, as follows: 25% to the Village of Stickney, 5% to the City of Berwyn, 50% to the Town of Cicero, and 20% to the Stickney Public Health District.

From the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by an organization gaming facility located in the City of Collinsville shall be paid monthly, subject to appropriation by the General Assembly, as follows: 30% to the City of Alton, 30% to the City of East St. Louis, and 40% to the City of Collinsville.

Municipalities and counties may refund any portion of the payment that they receive pursuant to this subsection (b-5) to the organization gaming facility.

(b-6) Beginning on the effective date of this amendatory Act of the 101st General Assembly, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 2% of adjusted gross receipts generated by an organization gaming facility located outside Madison County shall be paid monthly, subject to appropriation by the General Assembly, to the county in which the organization gaming facility is located for the purposes of its criminal justice system or health care system.

Counties may refund any portion of the payment that they receive pursuant to this subsection (b-6) to the organization gaming facility.

(b-7) From the tax revenue from the organization gaming licensee located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or Worth, an amount equal to 5% of the adjusted gross receipts generated by that organization gaming licensee shall be remitted monthly, subject to appropriation, as follows: 2% to the unit of local government in which the organization gaming licensee is located, and 3% shall be distributed: (A) in accordance with a regional capital development plan entered into by the following communities: Village of Beecher, City of Blue Island, Village of Burnham, City of Calumet City, Village of Calumet Park, City of Chicago Heights, City of Country Club Hills, Village of Crestwood, Village of Crete, Village of Dixmoor, Village of Dolton, Village of East Hazel Crest, Village of Flossmoor, Village of Ford Heights, Village of Glenwood, City of Harvey, Village of Hazel Crest, Village of Homewood, Village of Lansing, Village of Lynwood, City of Markham, Village of Matteson, Village of Midlothian, Village of Monee, City of Oak Forest, Village of Olympia Fields, Village of Orland Hills, Village of Orland Park, City of Palos Heights, Village of Park Forest, Village of Phoenix, Village of Posen, Village of Richton Park, Village of Riverdale, Village of Robbins, Village of Sauk Village, Village of South Chicago Heights, Village of South Holland, Village of Steger, Village of Thornton, Village of Tinley Park, Village of University Park, and Village of Worth; or (B) if no regional capital development plan exists, equally among the communities listed in item (A) to be used for capital expenditures or public pension payments, or both.

(b-8) In lieu of the payments under subsection (b) of this Section, the tax revenue from the privilege tax imposed by subsection (a-5.5) shall be paid monthly, subject to appropriation by the General Assembly, to the City of Chicago and shall be expended or obligated by the City of Chicago for pension payments in accordance with Public Act 99-506.

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Board (i) for the administration and enforcement of this Act and the Video Gaming Act, (ii) for distribution to the Department of State Police and to the Department of Revenue for the enforcement of this Act, and the Video Gaming Act, and (iii) to the Department of Human Services for the administration of programs to treat problem gambling. The Board's annual appropriations request must separately state its funding needs for the regulation of gaming authorized under Section 7.7, riverboat gaming, casino gaming, video gaming, and sports wagering.

(c-2) An amount equal to 2% of the adjusted gross receipts generated by an organization gaming facility located within a home rule county with a population of over 3,000,000 inhabitants shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the organization gaming licensee is located for the purpose of enhancing the county's criminal justice system.

(c-3) Appropriations, as approved by the General Assembly, may be made from the tax revenue deposited into the State Gaming Fund from organization gaming licensees pursuant to this Section for the administration and enforcement of this Act.

(c-4) After payments required under subsections (b), (b-5), (b-6), (b-7), (c), (c-2), and (c-3) have been made from the tax revenue from organization gaming licensees deposited into the State Gaming Fund under this Section, all remaining amounts from organization gaming licensees shall be transferred into the Capital Projects Fund.

(c-5) (Blank). Before May 26, 2006 (the effective date of Public Act 94-804) and beginning on the effective date of this amendatory Act of the 95th General Assembly, unless any organization licensee under the Illinois Horse Racing Act of 1975 begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, after the payments required under subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund into the Horse Racing Equity Fund.

(c-10) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid into the Horse Racing Equity Fund pursuant to subsection (c-5) in the prior calendar year.

(c-15) After the payments required under subsections (b), (c), and (c-5) have been made, an amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to each home rule county with a population of over 3,000,000 inhabitants for the purpose of enhancing the county's criminal justice system.

(c-20) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid to each home rule county with a population of over 3,000,000 inhabitants pursuant to subsection (c-15) in the prior calendar year.

(c-21) After the payments required under subsections (b), (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), and (c-4) have been made, an amount equal to 2% of the adjusted gross receipts generated by the owners licensee under paragraph (1) of subsection (e-5) of Section 7 shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the owners licensee is located for the purpose of enhancing the county's criminal justice system.

(c-22) After the payments required under subsections (b), (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), (c-4), and (c-21) have been made, an amount equal to 2% of the adjusted gross receipts generated by the owners licensee under paragraph (5) of subsection (e-5) of Section 7 shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the owners licensee is located for the purpose of enhancing the county's criminal justice system.

(c-25) ~~From~~ July 1, 2013 and each July 1 thereafter ~~through~~ July 1, 2019, \$1,600,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

On July 1, 2020 and each July 1 thereafter, \$3,000,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

(c-30) On July 1, 2013 or as soon as possible thereafter, \$92,000,000 shall be transferred from the State Gaming Fund to the School Infrastructure Fund and \$23,000,000 shall be transferred from the State Gaming Fund to the Horse Racing Equity Fund.

(c-35) Beginning on July 1, 2013, in addition to any amount transferred under subsection (c-30) of this Section, \$5,530,000 shall be transferred monthly from the State Gaming Fund to the School Infrastructure Fund.

(d) From time to time, the Board shall transfer the remainder of the funds generated by this Act into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(e) Nothing in this Act shall prohibit the unit of local government designated as the home dock of the riverboat from entering into agreements with other units of local government in this State or in other states to share its portion of the tax revenue.

(f) To the extent practicable, the Board shall administer and collect the wagering taxes imposed by this Section in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 98-18, eff. 6-7-13.)

(230 ILCS 10/14) (from Ch. 120, par. 2414)

Sec. 14. Licensees - Records - Reports - Supervision.

(a) Licensed owners and organization gaming licensees ~~A licensed owner~~ shall keep his books and records so as to clearly show the following:

- (1) The amount received daily from admission fees.
- (2) The total amount of gross receipts.
- (3) The total amount of the adjusted gross receipts.

(b) Licensed owners and organization gaming licensees ~~The licensed owner~~ shall furnish to the Board reports and information as the Board may require with respect to its activities on forms designed and supplied for such purpose by the Board.

(c) The books and records kept by a licensed owner as provided by this Section are public records and the examination, publication, and dissemination of the books and records are governed by the provisions of The Freedom of Information Act.

(Source: P.A. 86-1029.)

(230 ILCS 10/15) (from Ch. 120, par. 2415)

Sec. 15. Audit of Licensee Operations. Annually, the licensed owner, ~~or manager~~, or organization gaming licensee shall transmit to the Board an audit of the financial transactions and condition of the licensee's or manager's total operations. Additionally, within 90 days after the end of each quarter of each fiscal year, the licensed owner, ~~or manager~~, or organization gaming licensee shall transmit to the Board a compliance report on engagement procedures determined by the Board. All audits and compliance engagements shall be conducted by certified public accountants selected by the Board. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Accounting Act. The compensation for each certified public accountant shall be paid directly by the licensed owner, ~~or manager~~, or organization gaming licensee to the certified public accountant.

(Source: P.A. 96-1392, eff. 1-1-11.)

(230 ILCS 10/17) (from Ch. 120, par. 2417)

Sec. 17. Administrative Procedures. The Illinois Administrative Procedure Act shall apply to all administrative rules and procedures of the Board under this Act and ~~or~~ the Video Gaming Act, except that:

(1) subsection (b) of Section 5-10 of the Illinois Administrative Procedure Act does not apply to final orders, decisions and opinions of the Board; (2) subsection (a) of Section 5-10 of the Illinois Administrative Procedure Act does not apply to forms established by the Board for use under this Act and ~~or~~ the Video Gaming Act; (3) the provisions of Section 10-45 of the Illinois Administrative Procedure Act regarding proposals for decision are excluded under this Act and ~~or~~ the Video Gaming Act; and (4) the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act do not apply so as to prevent summary suspension of any license pending revocation or other action, which suspension shall remain in effect unless modified by the Board or unless the Board's decision is reversed on the merits upon judicial review.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

Sec. 17.1. Judicial Review.

(a) Jurisdiction and venue for the judicial review of a final order of the Board relating to licensed owners, suppliers, organization gaming licensees, and ~~or~~ special event licenses is vested in the Appellate Court of the judicial district in which Sangamon County is located. A petition for judicial review of a final order of the Board must be filed in the Appellate Court, within 35 days from the date that a copy of the decision sought to be reviewed was served upon the party affected by the decision.

(b) Judicial review of all other final orders of the Board shall be conducted in accordance with the Administrative Review Law.

(Source: P.A. 88-1.)

(230 ILCS 10/18) (from Ch. 120, par. 2418)

Sec. 18. Prohibited Activities - Penalty.

(a) A person is guilty of a Class A misdemeanor for doing any of the following:

(1) Conducting gambling where wagering is used or to be used without a license issued by the Board.

(2) Conducting gambling where wagering is permitted other than in the manner specified by Section 11.

(b) A person is guilty of a Class B misdemeanor for doing any of the following:

(1) permitting a person under 21 years to make a wager; or

(2) violating paragraph (12) of subsection (a) of Section 11 of this Act.

(c) A person wagering or accepting a wager at any location outside the riverboat, casino, or organization gaming facility in violation of paragraph ~~is subject to the penalties in paragraphs (1) or (2) of subsection (a) of Section 28-1 of the Criminal Code of 2012 is subject to the penalties provided in that Section.~~

(d) A person commits a Class 4 felony and, in addition, shall be barred for life from gambling operations riverboats under the jurisdiction of the Board, if the person does any of the following:

(1) Offers, promises, or gives anything of value or benefit to a person who is connected with a riverboat or casino owner or organization gaming licensee, including, but not limited to, an officer or employee of a licensed owner, organization gaming licensee, or holder of an occupational license pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(2) Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with a riverboat, casino, or organization gaming facility, including, but not limited to, an officer or employee of a licensed owner or organization gaming licensee, or the holder of an occupational license, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(3) Uses or possesses with the intent to use a device to assist:

(i) In projecting the outcome of the game.

(ii) In keeping track of the cards played.

(iii) In analyzing the probability of the occurrence of an event relating to the gambling game.

(iv) In analyzing the strategy for playing or betting to be used in the game except as permitted by the Board.

(4) Cheats at a gambling game.

(5) Manufactures, sells, or distributes any cards, chips, dice, game or device which is intended to be used to violate any provision of this Act.

(6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players.

(7) Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome.

(8) Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won.

(9) Uses counterfeit chips or tokens in a gambling game.

(10) Possesses any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of a gambling game. This paragraph (10) does not apply to a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment.

(e) The possession of more than one of the devices described in subsection (d), paragraphs (3), (5), or (10) permits a rebuttable presumption that the possessor intended to use the devices for cheating.

(f) A person under the age of 21 who, except as authorized under paragraph (10) of Section 11, enters upon a riverboat or in a casino or organization gaming facility commits a petty offense and is subject to a fine of not less than \$100 or more than \$250 for a first offense and of not less than \$200 or more than \$500 for a second or subsequent offense.

An action to prosecute any crime occurring on a riverboat shall be tried in the county of the dock at which the riverboat is based. An action to prosecute any crime occurring in a casino or organization gaming facility shall be tried in the county in which the casino or organization gaming facility is located.

(Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

(230 ILCS 10/18.1)

Sec. 18.1. Distribution of certain fines. If a fine is imposed on an ~~owners~~ ~~owner~~ licensee or an organization gaming licensee for knowingly sending marketing or promotional materials to any person placed on the self-exclusion list, then the Board shall distribute an amount equal to 15% of the fine imposed to the unit of local government in which the casino, riverboat, or organization gaming facility is located for the purpose of awarding grants to non-profit entities that assist gambling addicts.

(Source: P.A. 96-224, eff. 8-11-09.)

(230 ILCS 10/19) (from Ch. 120, par. 2419)

Sec. 19. Forfeiture of property.

(a) Except as provided in subsection (b), any riverboat, casino, or organization gaming facility used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 2012. Every gambling device found on a riverboat, in a casino, or at an organization gaming facility operating gambling games in violation of this Act and every slot machine and video game of chance found at an organization gaming facility operating gambling games in violation of this Act shall be subject to seizure, confiscation and destruction as provided in Section 28-5 of the Criminal Code of 2012.

(b) It is not a violation of this Act for a riverboat or other watercraft which is licensed for gaming by a contiguous state to dock on the shores of this State if the municipality having jurisdiction of the shores, or the county in the case of unincorporated areas, has granted permission for docking and no gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State. No gambling device shall be subject to seizure, confiscation or destruction if the gambling device is located on a riverboat or other watercraft which is licensed for gaming by a contiguous state and which is docked on the shores of this State if the municipality having jurisdiction of the shores, or the county in the case of unincorporated areas, has granted permission for docking and no gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State.

(Source: P.A. 97-1150, eff. 1-25-13.)

(230 ILCS 10/20) (from Ch. 120, par. 2420)

Sec. 20. Prohibited activities - civil penalties. Any person who conducts a gambling operation without first obtaining a license to do so, or who continues to conduct such games after revocation of his license, or any licensee who conducts or allows to be conducted any unauthorized gambling games on a riverboat, in a casino, or at an organization gaming facility where it is authorized to conduct its ~~riverboat~~ gambling operation, in addition to other penalties provided, shall be subject to a civil penalty equal to the amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted on that day as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games.

(Source: P.A. 86-1029.)

(230 ILCS 10/24)

Sec. 24. Applicability of ~~this Illinois Riverboat Gambling Act~~. The provisions of ~~this the Illinois Riverboat Gambling Act~~, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the ~~2~~ Acts. In the event of a conflict between this Act and the Video Gaming Act, the terms of this Act shall prevail.

(Source: P.A. 96-37, eff. 7-13-09.)

Section 35-60. The Video Gaming Act is amended by changing Sections 5, 15, 20, 25, 30, 35, 45, 55, 58, 60, 79, and 80 as follows:

(230 ILCS 40/5)

Sec. 5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"Credit" means one, 5, 10, or 25 cents either won or purchased by a player.

"Distributor" means an individual, partnership, corporation, or limited liability company licensed under this Act to buy, sell, lease, or distribute video gaming terminals or major components or parts of video gaming terminals to or from terminal operators.

"Electronic card" means a card purchased from a licensed establishment, licensed fraternal establishment, licensed veterans establishment, ~~or~~ licensed truck stop establishment, or licensed large truck stop establishment for use in that establishment as a substitute for cash in the conduct of gaming on a video gaming terminal.

"Electronic voucher" means a voucher printed by an electronic video game machine that is redeemable in the licensed establishment for which it was issued.

"In-location bonus jackpot" means one or more video gaming terminals at a single licensed establishment that allows for wagers placed on such video gaming terminals to contribute to a cumulative maximum jackpot of up to \$10,000.

"Terminal operator" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that owns, services, and maintains video gaming terminals for placement in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, or licensed veterans establishments.

"Licensed technician" means an individual who is licensed under this Act to repair, service, and maintain video gaming terminals.

"Licensed terminal handler" means a person, including but not limited to an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator, who is licensed under this Act to possess or control a video gaming terminal or to have access to the inner workings of a video gaming terminal. A licensed terminal handler does not include an individual, partnership, corporation, or limited liability company defined as a manufacturer, distributor, supplier, technician, or terminal operator under this Act.

"Manufacturer" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that manufactures or assembles video gaming terminals.

"Supplier" means an individual, partnership, corporation, or limited liability company that is licensed under this Act to supply major components or parts to video gaming terminals to licensed terminal operators.

"Net terminal income" means money put into a video gaming terminal minus credits paid out to players.

"Video gaming terminal" means any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

"Licensed establishment" means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises, whether the establishment operates on a nonprofit or for-profit basis. "Licensed establishment" includes any such establishment that has a contractual relationship with an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975, provided any contractual relationship shall not include any transfer or offer of revenue from the operation of video gaming under this Act to any licensee licensed under the Illinois Horse Racing Act of 1975. Provided, however, that the licensed establishment that has such a contractual relationship with an inter-track wagering location licensee may not, itself, be (i) an inter-track wagering location licensee, (ii) the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975, or (iii) the corporate subsidiary of a corporation that is also the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975. "Licensed establishment" does not include a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or a riverboat licensed under the Illinois Riverboat Gambling Act, except as provided in this paragraph. The changes made to this definition by Public Act 98-587 are declarative of existing law.

"Licensed fraternal establishment" means the location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

"Licensed veterans establishment" means the location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

"Licensed truck stop establishment" means a facility (i) that is at least a 3-acre facility with a convenience store, (ii) with separate diesel islands for fueling commercial motor vehicles, (iii) that sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section

18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 10,000 gallons per month.

"Licensed large truck stop establishment" means a facility located within 3 road miles from a freeway interchange, as measured in accordance with the Department of Transportation's rules regarding the criteria for the installation of business signs: (i) that is at least a 3-acre facility with a convenience store, (ii) with separate diesel islands for fueling commercial motor vehicles, (iii) that sells at retail more than 50,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 50,000 gallons per month.

(Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/15)

Sec. 15. Minimum requirements for licensing and registration. Every video gaming terminal offered for play shall first be tested and approved pursuant to the rules of the Board, and each video gaming terminal offered in this State for play shall conform to an approved model. For the examination of video gaming machines and associated equipment as required by this Section, the Board shall ~~may~~ utilize the services of ~~one or more~~ independent outside testing laboratories that have been accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement signifying they are qualified to ~~by a national accreditation body and that, in the judgment of the Board, are qualified to~~ perform such examinations. Notwithstanding any law to the contrary, the Board shall consider the licensing of independent outside testing laboratory applicants in accordance with procedures established by the Board by rule. The Board shall not withhold its approval of an independent outside testing laboratory license applicant that has been accredited as required by this Section and is licensed in gaming jurisdictions comparable to Illinois. Upon the finalization of required rules, the Board shall license independent testing laboratories and accept the test reports of any licensed testing laboratory of the video gaming machine's or associated equipment manufacturer's choice, notwithstanding the existence of contracts between the Board and any independent testing laboratory. Every video gaming terminal offered in this State for play must meet minimum standards ~~set by an independent outside testing laboratory approved by the Board~~. Each approved model shall, at a minimum, meet the following criteria:

(1) It must conform to all requirements of federal law and regulations, including FCC Class A Emissions Standards.

(2) It must theoretically pay out a mathematically demonstrable percentage during the expected lifetime of the machine of all amounts played, which must not be less than 80%. The Board shall establish a maximum payout percentage for approved models by rule. Video gaming terminals that may be affected by skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(3) It must use a random selection process to determine the outcome of each play of a game. The random selection process must meet 99% confidence limits using a standard chi-squared test for (randomness) goodness of fit.

(4) It must display an accurate representation of the game outcome.

(5) It must not automatically alter pay tables or any function of the video gaming terminal based on internal computation of hold percentage or have any means of manipulation that affects the random selection process or probabilities of winning a game.

(6) It must not be adversely affected by static discharge or other electromagnetic interference.

(7) It must be capable of detecting and displaying the following conditions during idle states or on demand: power reset; door open; and door just closed.

(8) It must have the capacity to display complete play history (outcome, intermediate play steps, credits available, bets placed, credits paid, and credits cashed out) for the most recent game played and 10 games prior thereto.

(9) The theoretical payback percentage of a video gaming terminal must not be capable of being changed without making a hardware or software change in the video gaming terminal, either on site or via the central communications system.

(10) Video gaming terminals must be designed so that replacement of parts or modules required for normal maintenance does not necessitate replacement of the electromechanical meters.

(11) It must have nonresettable meters housed in a locked area of the terminal that keep

a permanent record of all cash inserted into the machine, all winnings made by the terminal printer, credits played in for video gaming terminals, and credits won by video gaming players. The video gaming terminal must provide the means for on-demand display of stored information as determined by the Board.

(12) Electronically stored meter information required by this Section must be preserved for a minimum of 180 days after a power loss to the service.

(13) It must have one or more mechanisms that accept cash in the form of bills. The mechanisms shall be designed to prevent obtaining credits without paying by stringing, slamming, drilling, or other means. If such attempts at physical tampering are made, the video gaming terminal shall suspend itself from operating until reset.

(14) It shall have accounting software that keeps an electronic record which includes, but is not limited to, the following: total cash inserted into the video gaming terminal; the value of winning tickets claimed by players; the total credits played; the total credits awarded by a video gaming terminal; and pay back percentage credited to players of each video game.

(15) It shall be linked by a central communications system to provide auditing program information as approved by the Board. The central communications system shall use a standard industry protocol, as defined by the Gaming Standards Association, and shall have the functionality to enable the Board or its designee to activate or deactivate individual gaming devices from the central communications system. In no event may the communications system approved by the Board limit participation to only one manufacturer of video gaming terminals by either the cost in implementing the necessary program modifications to communicate or the inability to communicate with the central communications system.

(16) The Board, in its discretion, may require video gaming terminals to display Amber Alert messages if the Board makes a finding that it would be economically and technically feasible and pose no risk to the integrity and security of the central communications system and video gaming terminals.

Licensed terminal handlers shall have access to video gaming terminals, including, but not limited to, logic door access, without the physical presence or supervision of the Board or its agent to perform, in coordination with and with project approval from the central communication system provider:

(i) the clearing of the random access memory and reprogramming of the video gaming terminal;

(ii) the installation of new video gaming terminal software and software upgrades that have been approved by the Board;

(iii) the placement, connection to the central communication system, and go-live operation of video gaming terminals at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment;

(iv) the repair and maintenance of a video gaming terminal located at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, including, but not limited to, the replacement of the video gaming terminal with a new video gaming terminal;

(v) the temporary movement, disconnection, replacement, and reconnection of video gaming terminals to allow for physical improvements and repairs at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, such as replacement of flooring, interior repairs, and other similar activities; and

(vi) such other functions as the Board may otherwise authorize.

The Board shall, at a licensed terminal operator's expense, cause all keys and other required devices to be provided to a terminal operator necessary to allow the licensed terminal handler access to the logic door to the terminal operator's video gaming terminals.

The Board may adopt rules to establish additional criteria to preserve the integrity and security of video gaming in this State. The central communications system vendor may be licensed as a video gaming terminal manufacturer or a video gaming terminal distributor, or both, but in no event shall the central communications system vendor be licensed as a video gaming terminal operator.

The Board shall not permit the development of information or the use by any licensee of gaming device or individual game performance data. Nothing in this Act shall inhibit or prohibit the Board from the use of gaming device or individual game performance data in its regulatory duties. The Board shall adopt rules to ensure that all licensees are treated and all licensees act in a non-discriminatory manner and develop processes and penalties to enforce those rules.

(Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/20)

Sec. 20. Video gaming terminal payouts ~~Direct dispensing of receipt tickets only.~~

(a) A video gaming terminal may not directly dispense coins, cash, tokens, or any other article of exchange or value except for receipt tickets. Tickets shall be dispensed by pressing the ticket dispensing button on the video gaming terminal at the end of one's turn or play. The ticket shall indicate the total amount of credits and the cash award, the time of day in a 24-hour format showing hours and minutes, the date, the terminal serial number, the sequential number of the ticket, and an encrypted validation number from which the validity of the prize may be determined. The player shall turn in this ticket to the appropriate person at the licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment to receive the cash award.

(b) The cost of the credit shall be one cent, 5 cents, 10 cents, ~~or 25 cents~~, or \$1, and the maximum wager played per hand shall not exceed ~~\$4~~ \$2. No cash award for the maximum wager on any individual hand shall exceed \$1,199 ~~\$500~~. No cash award for the maximum wager on a jackpot, progressive or otherwise, shall exceed \$10,000.

(c) In-location bonus jackpot games are hereby authorized. The Board shall adopt emergency rules pursuant to Section 5-45 of the Illinois Administrative Procedure Act to implement this subsection (c) within 90 days after the effective date of this amendatory Act of the 101st General Assembly. Jackpot winnings from in-location progressive games shall be paid by the terminal operator to the player not later than 3 days after winning such a jackpot.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/25)

Sec. 25. Restriction of licensees.

(a) Manufacturer. A person may not be licensed as a manufacturer of a video gaming terminal in Illinois unless the person has a valid manufacturer's license issued under this Act. A manufacturer may only sell video gaming terminals for use in Illinois to persons having a valid distributor's license.

(b) Distributor. A person may not sell, distribute, or lease or market a video gaming terminal in Illinois unless the person has a valid distributor's license issued under this Act. A distributor may only sell video gaming terminals for use in Illinois to persons having a valid distributor's or terminal operator's license.

(c) Terminal operator. A person may not own, maintain, or place a video gaming terminal unless he has a valid terminal operator's license issued under this Act. A terminal operator may only place video gaming terminals for use in Illinois in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. No terminal operator may give anything of value, including but not limited to a loan or financing arrangement, to a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment as any incentive or inducement to locate video terminals in that establishment. Of the after-tax profits from a video gaming terminal, 50% shall be paid to the terminal operator and 50% shall be paid to the licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, notwithstanding any agreement to the contrary. A video terminal operator that violates one or more requirements of this subsection is guilty of a Class 4 felony and is subject to termination of his or her license by the Board.

(d) Licensed technician. A person may not service, maintain, or repair a video gaming terminal in this State unless he or she (1) has a valid technician's license issued under this Act, (2) is a terminal operator, or (3) is employed by a terminal operator, distributor, or manufacturer.

(d-5) Licensed terminal handler. No person, including, but not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator licensed pursuant to this Act, shall have possession or control of a video gaming terminal, or access to the inner workings of a video gaming terminal, unless that person possesses a valid terminal handler's license issued under this Act.

(e) Licensed establishment. No video gaming terminal may be placed in any licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment unless the owner or agent of the owner of the licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment has entered into a written use agreement with the terminal operator for placement of the terminals. A copy of the use agreement shall be on file in the terminal operator's place of business and available for inspection by individuals authorized by the Board. A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to ~~6~~ 5 video gaming terminals on its premises at any time. A licensed large truck stop establishment may operate up to 10 video gaming terminals on its premises at any time.

(f) (Blank).

(g) Financial interest restrictions. As used in this Act, "substantial interest" in a partnership, a corporation, an organization, an association, a business, or a limited liability company means:

(A) When, with respect to a sole proprietorship, an individual or his or her spouse owns, operates, manages, or conducts, directly or indirectly, the organization, association, or business, or any part thereof; or

(B) When, with respect to a partnership, the individual or his or her spouse shares in any of the profits, or potential profits, of the partnership activities; or

(C) When, with respect to a corporation, an individual or his or her spouse is an officer or director, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of any class of stock of the corporation; or

(D) When, with respect to an organization not covered in (A), (B) or (C) above, an individual or his or her spouse is an officer or manages the business affairs, or the individual or his or her spouse is the owner of or otherwise controls 10% or more of the assets of the organization; or

(E) When an individual or his or her spouse furnishes 5% or more of the capital, whether in cash, goods, or services, for the operation of any business, association, or organization during any calendar year; or

(F) When, with respect to a limited liability company, an individual or his or her spouse is a member, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of the membership interest of the limited liability company.

For purposes of this subsection (g), "individual" includes all individuals or their spouses whose combined interest would qualify as a substantial interest under this subsection (g) and whose activities with respect to an organization, association, or business are so closely aligned or coordinated as to constitute the activities of a single entity.

(h) Location restriction. A licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that is (i) located within 1,000 feet of a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Illinois Riverboat Gambling Act or (ii) located within 100 feet of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal. The location restrictions in this subsection (h) do not apply if (A) a facility operated by an organization licensee, a school, or a place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment becomes licensed under this Act or (B) a school or place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment obtains its original liquor license. For the purpose of this subsection, "school" means an elementary or secondary public school, or an elementary or secondary private school registered with or recognized by the State Board of Education.

Notwithstanding the provisions of this subsection (h), the Board may waive the requirement that a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment not be located within 1,000 feet from a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Illinois Riverboat Gambling Act. The Board shall not grant such waiver if there is any common ownership or control, shared business activity, or contractual arrangement of any type between the establishment and the organization licensee or owners licensee of a riverboat. The Board shall adopt rules to implement the provisions of this paragraph.

(h-5) Restrictions on licenses in malls. The Board shall not grant an application to become a licensed video gaming location if the Board determines that granting the application would more likely than not cause a terminal operator, individually or in combination with other terminal operators, licensed video gaming location, or other person or entity, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation.

(1) In making determinations under this subsection (h-5), factors to be considered by the Board shall include, but not be limited to, the following:

(A) the physical aspects of the location;

(B) the ownership, control, or management of the location;

(C) any arrangements, understandings, or agreements, written or otherwise, among or involving any persons or entities that involve the conducting of any video gaming business or the sharing of costs or revenues; and

(D) the manner in which any terminal operator or other related entity markets, advertises, or otherwise describes any location or locations to any other person or entity or to the public.

(2) The Board shall presume, subject to rebuttal, that the granting of an application to become a licensed video gaming location within a mall will cause a terminal operator, individually or in combination with other persons or entities, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation if the Board determines that granting the license would create a local concentration of licensed video gaming locations.

For the purposes of this subsection (h-5):

"Mall" means a building, or adjoining or connected buildings, containing 4 or more separate locations.

"Video gaming operation" means the conducting of video gaming and all related activities.

"Location" means a space within a mall containing a separate business, a place for a separate business, or a place subject to a separate leasing arrangement by the mall owner.

"Licensed video gaming location" means a licensed establishment, licensed fraternal establishment, licensed veterans establishment, licensed truck stop establishment, or licensed large truck stop.

"Local concentration of licensed video gaming locations" means that the combined number of licensed video gaming locations within a mall exceed half of the separate locations within the mall.

(i) Undue economic concentration. In addition to considering all other requirements under this Act, in deciding whether to approve the operation of video gaming terminals by a terminal operator in a location, the Board shall consider the impact of any economic concentration of such operation of video gaming terminals. The Board shall not allow a terminal operator to operate video gaming terminals if the Board determines such operation will result in undue economic concentration. For purposes of this Section, "undue economic concentration" means that a terminal operator would have such actual or potential influence over video gaming terminals in Illinois as to:

- (1) substantially impede or suppress competition among terminal operators;
- (2) adversely impact the economic stability of the video gaming industry in Illinois; or
- (3) negatively impact the purposes of the Video Gaming Act.

The Board shall adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in Illinois. The rules shall include, but not be limited to, (i) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and (ii) guidelines on the discontinuation of operation of any such video gaming terminals the Board determines will cause undue economic concentration.

(j) The provisions of the Illinois Antitrust Act are fully and equally applicable to the activities of any licensee under this Act.

(Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77, eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/30)

Sec. 30. Multiple types of licenses prohibited. A video gaming terminal manufacturer may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed to sell only to persons having a valid distributor's license or, if the manufacturer also holds a valid distributor's license, to sell, distribute, lease, or market to persons having a valid terminal operator's license. A video gaming terminal distributor may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall only contract with a licensed terminal operator. A video gaming terminal operator may not be licensed as a video gaming terminal manufacturer or distributor or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed only to contract with licensed distributors and licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. An owner or manager of a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment may not be licensed as a video gaming terminal manufacturer, distributor, or operator, and shall only contract with a licensed operator to place and service this equipment.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/35)

Sec. 35. Display of license; confiscation; violation as felony.

(a) Each video gaming terminal shall be licensed by the Board before placement or operation on the premises of a licensed establishment, licensed truck stop establishment, licensed large truck stop

establishment, licensed fraternal establishment, or licensed veterans establishment. The license of each video gaming terminal shall be maintained at the location where the video gaming terminal is operated. Failure to do so is a petty offense with a fine not to exceed \$100. Any licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 2012. Every gambling device found in a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment operating gambling games in violation of this Act shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012. Any license issued under the Liquor Control Act of 1934 to any owner or operator of a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that operates or permits the operation of a video gaming terminal within its establishment in violation of this Act shall be immediately revoked. No person may own, operate, have in his or her possession or custody or under his or her control, or permit to be kept in any place under his or her possession or control, any device that awards credits and contains a circuit, meter, or switch capable of removing and recording the removal of credits when the award of credits is dependent upon chance.

Nothing in this Section shall be deemed to prohibit the use of a game device only if the game device is used in an activity that is not gambling under subsection (b) of Section 28-1 of the Criminal Code of 2012.

A violation of this Section is a Class 4 felony. All devices that are owned, operated, or possessed in violation of this Section are hereby declared to be public nuisances and shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012.

The provisions of this Section do not apply to devices or electronic video game terminals licensed pursuant to this Act. A video gaming terminal operated for amusement only and bearing a valid amusement tax sticker shall not be subject to this Section until 30 days after the Board establishes that the central communications system is functional.

(b) (1) The odds of winning each video game shall be posted on or near each video gaming terminal. The manner in which the odds are calculated and how they are posted shall be determined by the Board by rule.

(2) No video gaming terminal licensed under this Act may be played except during the legal hours of operation allowed for the consumption of alcoholic beverages at the licensed establishment, licensed fraternal establishment, or licensed veterans establishment. A licensed establishment, licensed fraternal establishment, or licensed veterans establishment that violates this subsection is subject to termination of its license by the Board.

(Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

(230 ILCS 40/45)

Sec. 45. Issuance of license.

(a) The burden is upon each applicant to demonstrate his suitability for licensure. Each video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall be licensed by the Board. The Board may issue or deny a license under this Act to any person pursuant to the same criteria set forth in Section 9 of the Illinois Riverboat Gambling Act.

(a-5) The Board shall not grant a license to a person who has facilitated, enabled, or participated in the use of coin-operated devices for gambling purposes or who is under the significant influence or control of such a person. For the purposes of this Act, "facilitated, enabled, or participated in the use of coin-operated amusement devices for gambling purposes" means that the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012. If there is pending legal action against a person for any such violation, then the Board shall delay the licensure of that person until the legal action is resolved.

(b) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall submit to a background investigation conducted by the Board with the assistance of the State Police or other law enforcement. To the extent that the corporate structure of the applicant allows, the background investigation shall include any or all of the following as the Board deems appropriate or as provided by rule for each category of licensure: (i) each beneficiary of a trust, (ii) each partner of a partnership, (iii) each member of a limited liability company, (iv) each director and officer of a publicly or non-publicly held corporation, (v) each stockholder of a non-publicly held corporation, (vi) each stockholder of 5% or

more of a publicly held corporation, or (vii) each stockholder of 5% or more in a parent or subsidiary corporation.

(c) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall disclose the identity of every person, association, trust, corporation, or limited liability company having a greater than 1% direct or indirect pecuniary interest in the video gaming terminal operation for which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a limited liability company, the names and addresses of all members; or if a partnership, the names and addresses of all partners, both general and limited.

(d) No person may be licensed as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment if that person has been found by the Board to:

(1) have a background, including a criminal record, reputation, habits, social or business associations, or prior activities that pose a threat to the public interests of the State or to the security and integrity of video gaming;

(2) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; or

(3) present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(e) Any applicant for any license under this Act has the burden of proving his or her qualifications to the satisfaction of the Board. The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in this State.

(f) A non-refundable application fee shall be paid at the time an application for a license is filed with the Board in the following amounts:

- (1) Manufacturer.....\$5,000
- (2) Distributor.....\$5,000
- (3) Terminal operator.....\$5,000
- (4) Supplier.....\$2,500
- (5) Technician.....\$100
- (6) Terminal Handler.....\$100

(7) Licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment.....\$100

(g) The Board shall establish an annual fee for each license not to exceed the following:

- (1) Manufacturer.....\$10,000
- (2) Distributor.....\$10,000
- (3) Terminal operator.....\$5,000
- (4) Supplier.....\$2,000
- (5) Technician.....\$100
- (6) Licensed establishment, licensed truck stop

establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment.....\$100

- (7) Video gaming terminal.....\$100
- (8) Terminal Handler.....\$100

(h) A terminal operator and a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall equally split the fees specified in item (7) of subsection (g).

(Source: P.A. 100-1152, eff. 12-14-18.)

(230 ILCS 40/55)

Sec. 55. Precondition for licensed location. In all cases of application for a licensed location, to operate a video gaming terminal, each licensed establishment, licensed fraternal establishment, or licensed veterans establishment shall possess a valid liquor license issued by the Illinois Liquor Control Commission in effect at the time of application and at all times thereafter during which a video gaming terminal is made available to the public for play at that location. Video gaming terminals in a licensed

location shall be operated only during the same hours of operation generally permitted to holders of a license under the Liquor Control Act of 1934 within the unit of local government in which they are located. A licensed truck stop establishment or licensed large truck stop establishment that does not hold a liquor license may operate video gaming terminals on a continuous basis. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a county with a population between 6,500 and 7,000, based on the 2000 U.S. Census, (ii) the county prohibits by ordinance the sale of alcohol, and (iii) the establishment is in a portion of the county where the sale of alcohol is prohibited. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a municipality within a county with a population between 8,500 and 9,000 based on the 2000 U.S. Census and (ii) the municipality or county prohibits or limits the sale of alcohol by ordinance in a way that prohibits the establishment from selling alcohol.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10; 97-594, eff. 8-26-11.)

(230 ILCS 40/58)

Sec. 58. Location of terminals. Video gaming terminals must be located in an area restricted to persons over 21 years of age the entrance to which is within the view of at least one employee, who is over 21 years of age, of the establishment in which they are located. The placement of video gaming terminals in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments shall be subject to the rules promulgated by the Board pursuant to the Illinois Administrative Procedure Act.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/60)

Sec. 60. Imposition and distribution of tax.

(a) A tax of 30% is imposed on net terminal income and shall be collected by the Board.

(b) Of the tax collected under this subsection (a) Section, five-sixths shall be deposited into the Capital Projects Fund and one-sixth shall be deposited into the Local Government Video Gaming Distributive Fund.

(b) Beginning on July 1, 2019, an additional tax of 3% is imposed on net terminal income and shall be collected by the Board.

Beginning on July 1, 2020, an additional tax of 1% is imposed on net terminal income and shall be collected by the Board.

The tax collected under this subsection (b) shall be deposited into the Capital Projects Fund.

(c) Revenues generated from the play of video gaming terminals shall be deposited by the terminal operator, who is responsible for tax payments, in a specially created, separate bank account maintained by the video gaming terminal operator to allow for electronic fund transfers of moneys for tax payment.

(d) Each licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall maintain an adequate video gaming fund, with the amount to be determined by the Board.

(e) The State's percentage of net terminal income shall be reported and remitted to the Board within 15 days after the 15th day of each month and within 15 days after the end of each month by the video terminal operator. A video terminal operator who falsely reports or fails to report the amount due required by this Section is guilty of a Class 4 felony and is subject to termination of his or her license by the Board. Each video terminal operator shall keep a record of net terminal income in such form as the Board may require. All payments not remitted when due shall be paid together with a penalty assessment on the unpaid balance at a rate of 1.5% per month.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/79)

Sec. 79. Investigators. Investigators appointed by the Board pursuant to the powers conferred upon the Board by paragraph (20.6) of subsection (c) of Section 5 of the ~~Illinois Riverboat~~ Gambling Act and Section 80 of this Act shall have authority to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and the ~~Illinois Riverboat~~ Gambling Act, as deemed necessary by the Board. These investigators have and may exercise all of the rights and powers of peace officers, provided that these powers shall be (1) limited to offenses or violations occurring or committed in connection with conduct subject to this Act, including, but not limited to, the manufacture, distribution, supply, operation, placement, service, maintenance, or play of video gaming terminals and the distribution of profits and collection of revenues resulting from such play, and (2) exercised, to the fullest extent practicable, in cooperation with the local police department of the applicable municipality or, if these powers are exercised outside the boundaries of an incorporated municipality or within a municipality that does not

have its own police department, in cooperation with the police department whose jurisdiction encompasses the applicable locality.

(Source: P.A. 97-809, eff. 7-13-12.)

(230 ILCS 40/80)

Sec. 80. Applicability of Illinois Riverboat Gambling Act. The provisions of the Illinois Riverboat Gambling Act, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the 2 Acts. In the event of a conflict between the 2 Acts, the provisions of the Illinois Gambling Act shall prevail. All current supplier licensees under the Illinois Riverboat Gambling Act shall be entitled to licensure under the Video Gaming Act as manufacturers, distributors, or suppliers without additional Board investigation or approval, except by vote of the Board; however, they are required to pay application and annual fees under this Act. All provisions of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 100-1152, eff. 12-14-18.)

Section 35-65. The Liquor Control Act of 1934 is amended by changing Sections 5-1 and 6-30 as follows:

(235 ILCS 5/5-1) (from Ch. 43, par. 115)

Sec. 5-1. Licenses issued by the Illinois Liquor Control Commission shall be of the following classes:

(a) Manufacturer's license - Class 1. Distiller, Class 2. Rectifier, Class 3. Brewer, Class 4. First Class Wine Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6. First Class Winemaker, Class 7. Second Class Winemaker, Class 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class 10. Class 1 Brewer, Class 11. Class 2 Brewer,

(b) Distributor's license,

(c) Importing Distributor's license,

(d) Retailer's license,

(e) Special Event Retailer's license (not-for-profit),

(f) Railroad license,

(g) Boat license,

(h) Non-Beverage User's license,

(i) Wine-maker's premises license,

(j) Airplane license,

(k) Foreign importer's license,

(l) Broker's license,

(m) Non-resident dealer's license,

(n) Brew Pub license,

(o) Auction liquor license,

(p) Caterer retailer license,

(q) Special use permit license,

(r) Winery shipper's license,

(s) Craft distiller tasting permit,

(t) Brewer warehouse permit.

No person, firm, partnership, corporation, or other legal business entity that is engaged in the manufacturing of wine may concurrently obtain and hold a wine-maker's license and a wine manufacturer's license.

(a) A manufacturer's license shall allow the manufacture, importation in bulk, storage, distribution and sale of alcoholic liquor to persons without the State, as may be permitted by law and to licensees in this State as follows:

Class 1. A Distiller may make sales and deliveries of alcoholic liquor to distillers, rectifiers, importing distributors, distributors and non-beverage users and to no other licensees.

Class 2. A Rectifier, who is not a distiller, as defined herein, may make sales and deliveries of alcoholic liquor to rectifiers, importing distributors, distributors, retailers and non-beverage users and to no other licensees.

Class 3. A Brewer may make sales and deliveries of beer to importing distributors and distributors and may make sales as authorized under subsection (e) of Section 6-4 of this Act.

Class 4. A first class wine-manufacturer may make sales and deliveries of up to 50,000 gallons of wine to manufacturers, importing distributors and distributors, and to no other licensees.

Class 5. A second class Wine manufacturer may make sales and deliveries of more than 50,000 gallons of wine to manufacturers, importing distributors and distributors and to no other licensees.

[June 2, 2019]

Class 6. A first-class wine-maker's license shall allow the manufacture of up to 50,000 gallons of wine per year, and the storage and sale of such wine to distributors in the State and to persons without the State, as may be permitted by law. A person who, prior to June 1, 2008 (the effective date of Public Act 95-634), is a holder of a first-class wine-maker's license and annually produces more than 25,000 gallons of its own wine and who distributes its wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with Public Act 95-634.

Class 7. A second-class wine-maker's license shall allow the manufacture of between 50,000 and 150,000 gallons of wine per year, and the storage and sale of such wine to distributors in this State and to persons without the State, as may be permitted by law. A person who, prior to June 1, 2008 (the effective date of Public Act 95-634), is a holder of a second-class wine-maker's license and annually produces more than 25,000 gallons of its own wine and who distributes its wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with Public Act 95-634.

Class 8. A limited wine-manufacturer may make sales and deliveries not to exceed 40,000 gallons of wine per year to distributors, and to non-licensees in accordance with the provisions of this Act.

Class 9. A craft distiller license shall allow the manufacture of up to 100,000 gallons of spirits by distillation per year and the storage of such spirits. If a craft distiller licensee, including a craft distiller licensee who holds more than one craft distiller license, is not affiliated with any other manufacturer of spirits, then the craft distiller licensee may sell such spirits to distributors in this State and up to 2,500 gallons of such spirits to non-licensees to the extent permitted by any exemption approved by the Commission pursuant to Section 6-4 of this Act. A craft distiller license holder may store such spirits at a non-contiguous licensed location, but at no time shall a craft distiller license holder directly or indirectly produce in the aggregate more than 100,000 gallons of spirits per year.

A craft distiller licensee may hold more than one craft distiller's license. However, a craft distiller that holds more than one craft distiller license shall not manufacture, in the aggregate, more than 100,000 gallons of spirits by distillation per year and shall not sell, in the aggregate, more than 2,500 gallons of such spirits to non-licensees in accordance with an exemption approved by the State Commission pursuant to Section 6-4 of this Act.

Any craft distiller licensed under this Act who on July 28, 2010 (the effective date of Public Act 96-1367) was licensed as a distiller and manufactured no more spirits than permitted by this Section shall not be required to pay the initial licensing fee.

Class 10. A class 1 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 930,000 gallons of beer per year provided that the class 1 brewer licensee does not manufacture more than a combined 930,000 gallons of beer per year and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 930,000 gallons of beer per year or any other alcoholic liquor. A class 1 brewer licensee may make sales and deliveries to importing distributors and distributors and to retail licensees in accordance with the conditions set forth in paragraph (18) of subsection (a) of Section 3-12 of this Act. If the State Commission provides prior approval, a class 1 brewer may annually transfer up to 930,000 gallons of beer manufactured by that class 1 brewer to the premises of a licensed class 1 brewer wholly owned and operated by the same licensee.

Class 11. A class 2 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 3,720,000 gallons of beer per year provided that the class 2 brewer licensee does not manufacture more than a combined 3,720,000 gallons of beer per year and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or any other alcoholic liquor. A class 2 brewer licensee may make sales and deliveries to importing distributors and distributors, but shall not make sales or deliveries to any other licensee. If the State Commission provides prior approval, a class 2 brewer licensee may annually transfer up to 3,720,000 gallons of beer manufactured by that class 2 brewer licensee to the premises of a licensed class 2 brewer wholly owned and operated by the same licensee.

A class 2 brewer may transfer beer to a brew pub wholly owned and operated by the class 2 brewer subject to the following limitations and restrictions: (i) the transfer shall not annually exceed more than 31,000 gallons; (ii) the annual amount transferred shall reduce the brew pub's annual permitted production limit; (iii) all beer transferred shall be subject to Article VIII of this Act; (iv) a written record shall be maintained by the brewer and brew pub specifying the amount, date of delivery, and receipt of the product by the brew pub; and (v) the brew pub shall be located no farther than 80 miles from the class 2 brewer's licensed location.

A class 2 brewer shall, prior to transferring beer to a brew pub wholly owned by the class 2 brewer, furnish a written notice to the State Commission of intent to transfer beer setting forth the name and address

of the brew pub and shall annually submit to the State Commission a verified report identifying the total gallons of beer transferred to the brew pub wholly owned by the class 2 brewer.

(a-1) A manufacturer which is licensed in this State to make sales or deliveries of alcoholic liquor to licensed distributors or importing distributors and which enlists agents, representatives, or individuals acting on its behalf who contact licensed retailers on a regular and continual basis in this State must register those agents, representatives, or persons acting on its behalf with the State Commission.

Registration of agents, representatives, or persons acting on behalf of a manufacturer is fulfilled by submitting a form to the Commission. The form shall be developed by the Commission and shall include the name and address of the applicant, the name and address of the manufacturer he or she represents, the territory or areas assigned to sell to or discuss pricing terms of alcoholic liquor, and any other questions deemed appropriate and necessary. All statements in the forms required to be made by law or by rule shall be deemed material, and any person who knowingly misstates any material fact under oath in an application is guilty of a Class B misdemeanor. Fraud, misrepresentation, false statements, misleading statements, evasions, or suppression of material facts in the securing of a registration are grounds for suspension or revocation of the registration. The State Commission shall post a list of registered agents on the Commission's website.

(b) A distributor's license shall allow the wholesale purchase and storage of alcoholic liquors and sale of alcoholic liquors to licensees in this State and to persons without the State, as may be permitted by law, and the sale of beer, cider, or both beer and cider to brewers, class 1 brewers, and class 2 brewers that, pursuant to subsection (e) of Section 6-4 of this Act, sell beer, cider, or both beer and cider to non-licensees at their breweries. No person licensed as a distributor shall be granted a non-resident dealer's license.

(c) An importing distributor's license may be issued to and held by those only who are duly licensed distributors, upon the filing of an application by a duly licensed distributor, with the Commission and the Commission shall, without the payment of any fee, immediately issue such importing distributor's license to the applicant, which shall allow the importation of alcoholic liquor by the licensee into this State from any point in the United States outside this State, and the purchase of alcoholic liquor in barrels, casks or other bulk containers and the bottling of such alcoholic liquors before resale thereof, but all bottles or containers so filled shall be sealed, labeled, stamped and otherwise made to comply with all provisions, rules and regulations governing manufacturers in the preparation and bottling of alcoholic liquors. The importing distributor's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers and foreign importers only. No person licensed as an importing distributor shall be granted a non-resident dealer's license.

(d) A retailer's license shall allow the licensee to sell and offer for sale at retail, only in the premises specified in the license, alcoholic liquor for use or consumption, but not for resale in any form. Nothing in Public Act 95-634 shall deny, limit, remove, or restrict the ability of a holder of a retailer's license to transfer, deliver, or ship alcoholic liquor to the purchaser for use or consumption subject to any applicable local law or ordinance. Any retail license issued to a manufacturer shall only permit the manufacturer to sell beer at retail on the premises actually occupied by the manufacturer. For the purpose of further describing the type of business conducted at a retail licensed premises, a retailer's licensee may be designated by the State Commission as (i) an on premise consumption retailer, (ii) an off premise sale retailer, or (iii) a combined on premise consumption and off premise sale retailer.

Notwithstanding any other provision of this subsection (d), a retail licensee may sell alcoholic liquors to a special event retailer licensee for resale to the extent permitted under subsection (e).

(e) A special event retailer's license (not-for-profit) shall permit the licensee to purchase alcoholic liquors from an Illinois licensed distributor (unless the licensee purchases less than \$500 of alcoholic liquors for the special event, in which case the licensee may purchase the alcoholic liquors from a licensed retailer) and shall allow the licensee to sell and offer for sale, at retail, alcoholic liquors for use or consumption, but not for resale in any form and only at the location and on the specific dates designated for the special event in the license. An applicant for a special event retailer license must (i) furnish with the application: (A) a resale number issued under Section 2c of the Retailers' Occupation Tax Act or evidence that the applicant is registered under Section 2a of the Retailers' Occupation Tax Act, (B) a current, valid exemption identification number issued under Section 1g of the Retailers' Occupation Tax Act, and a certification to the Commission that the purchase of alcoholic liquors will be a tax-exempt purchase, or (C) a statement that the applicant is not registered under Section 2a of the Retailers' Occupation Tax Act, does not hold a resale number under Section 2c of the Retailers' Occupation Tax Act, and does not hold an exemption number under Section 1g of the Retailers' Occupation Tax Act, in which event the Commission shall set forth on the special event retailer's license a statement to that effect; (ii) submit with the application proof satisfactory to the State Commission that the applicant will provide dram

shop liability insurance in the maximum limits; and (iii) show proof satisfactory to the State Commission that the applicant has obtained local authority approval.

Nothing in this Act prohibits an Illinois licensed distributor from offering credit or a refund for unused, salable alcoholic liquors to a holder of a special event retailer's license or ~~from~~ the special event retailer's licensee from accepting the credit or refund of alcoholic liquors at the conclusion of the event specified in the license.

(f) A railroad license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on a club, buffet, lounge or dining car operated on an electric, gas or steam railway in this State; and provided further, that railroad licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. A railroad license shall also permit the licensee to sell or dispense alcoholic liquors on any club, buffet, lounge or dining car operated on an electric, gas or steam railway regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A license shall be obtained for each car in which such sales are made.

(g) A boat license shall allow the sale of alcoholic liquor in individual drinks, on any passenger boat regularly operated as a common carrier on navigable waters in this State or on any riverboat operated under the Illinois Riverboat Gambling Act, which boat or riverboat maintains a public dining room or restaurant thereon.

(h) A non-beverage user's license shall allow the licensee to purchase alcoholic liquor from a licensed manufacturer or importing distributor, without the imposition of any tax upon the business of such licensed manufacturer or importing distributor as to such alcoholic liquor to be used by such licensee solely for the non-beverage purposes set forth in subsection (a) of Section 8-1 of this Act, and such licenses shall be divided and classified and shall permit the purchase, possession and use of limited and stated quantities of alcoholic liquor as follows:

Class 1, not to exceed	500 gallons
Class 2, not to exceed	1,000 gallons
Class 3, not to exceed	5,000 gallons
Class 4, not to exceed	10,000 gallons
Class 5, not to exceed	50,000 gallons

(i) A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license not more than 50,000 gallons of the first-class wine-maker's wine that is made at the first-class wine-maker's licensed premises per year for use or consumption, but not for resale in any form. A wine-maker's premises license shall allow a licensee who concurrently holds a second-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license up to 100,000 gallons of the second-class wine-maker's wine that is made at the second-class wine-maker's licensed premises per year for use or consumption but not for resale in any form. A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license or a second-class wine-maker's license to sell and offer for sale at retail at the premises specified in the wine-maker's premises license, for use or consumption but not for resale in any form, any beer, wine, and spirits purchased from a licensed distributor. Upon approval from the State Commission, a wine-maker's premises license shall allow the licensee to sell and offer for sale at (i) the wine-maker's licensed premises and (ii) at up to 2 additional locations for use and consumption and not for resale. Each location shall require additional licensing per location as specified in Section 5-3 of this Act. A wine-maker's premises license shall secure liquor liability insurance coverage in an amount at least equal to the maximum liability amounts set forth in subsection (a) of Section 6-21 of this Act.

(j) An airplane license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on an airplane; and provided further, that airplane licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. An airplane licensee shall also permit the sale or dispensing of alcoholic liquors on any passenger airplane regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A single airplane license shall be

required of an airline company if liquor service is provided on board aircraft in this State. The annual fee for such license shall be as determined in Section 5-3.

(k) A foreign importer's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers only, and to import alcoholic liquor other than in bulk from any point outside the United States and to sell such alcoholic liquor to Illinois licensed importing distributors and to no one else in Illinois; provided that (i) the foreign importer registers with the State Commission every brand of alcoholic liquor that it proposes to sell to Illinois licensees during the license period, (ii) the foreign importer complies with all of the provisions of Section 6-9 of this Act with respect to registration of such Illinois licensees as may be granted the right to sell such brands at wholesale, and (iii) the foreign importer complies with the provisions of Sections 6-5 and 6-6 of this Act to the same extent that these provisions apply to manufacturers.

(l) (i) A broker's license shall be required of all persons who solicit orders for, offer to sell or offer to supply alcoholic liquor to retailers in the State of Illinois, or who offer to retailers to ship or cause to be shipped or to make contact with distillers, rectifiers, brewers or manufacturers or any other party within or without the State of Illinois in order that alcoholic liquors be shipped to a distributor, importing distributor or foreign importer, whether such solicitation or offer is consummated within or without the State of Illinois.

No holder of a retailer's license issued by the Illinois Liquor Control Commission shall purchase or receive any alcoholic liquor, the order for which was solicited or offered for sale to such retailer by a broker unless the broker is the holder of a valid broker's license.

The broker shall, upon the acceptance by a retailer of the broker's solicitation of an order or offer to sell or supply or deliver or have delivered alcoholic liquors, promptly forward to the Illinois Liquor Control Commission a notification of said transaction in such form as the Commission may by regulations prescribe.

(ii) A broker's license shall be required of a person within this State, other than a retail licensee, who, for a fee or commission, promotes, solicits, or accepts orders for alcoholic liquor, for use or consumption and not for resale, to be shipped from this State and delivered to residents outside of this State by an express company, common carrier, or contract carrier. This Section does not apply to any person who promotes, solicits, or accepts orders for wine as specifically authorized in Section 6-29 of this Act.

A broker's license under this subsection (l) shall not entitle the holder to buy or sell any alcoholic liquors for his own account or to take or deliver title to such alcoholic liquors.

This subsection (l) shall not apply to distributors, employees of distributors, or employees of a manufacturer who has registered the trademark, brand or name of the alcoholic liquor pursuant to Section 6-9 of this Act, and who regularly sells such alcoholic liquor in the State of Illinois only to its registrants thereunder.

Any agent, representative, or person subject to registration pursuant to subsection (a-1) of this Section shall not be eligible to receive a broker's license.

(m) A non-resident dealer's license shall permit such licensee to ship into and warehouse alcoholic liquor into this State from any point outside of this State, and to sell such alcoholic liquor to Illinois licensed foreign importers and importing distributors and to no one else in this State; provided that (i) said non-resident dealer shall register with the Illinois Liquor Control Commission each and every brand of alcoholic liquor which it proposes to sell to Illinois licensees during the license period, (ii) it shall comply with all of the provisions of Section 6-9 hereof with respect to registration of such Illinois licensees as may be granted the right to sell such brands at wholesale by duly filing such registration statement, thereby authorizing the non-resident dealer to proceed to sell such brands at wholesale, and (iii) the non-resident dealer shall comply with the provisions of Sections 6-5 and 6-6 of this Act to the same extent that these provisions apply to manufacturers. No person licensed as a non-resident dealer shall be granted a distributor's or importing distributor's license.

(n) A brew pub license shall allow the licensee to only (i) manufacture up to 155,000 gallons of beer per year only on the premises specified in the license, (ii) make sales of the beer manufactured on the premises or, with the approval of the Commission, beer manufactured on another brew pub licensed premises that is wholly owned and operated by the same licensee to importing distributors, distributors, and to non-licensees for use and consumption, (iii) store the beer upon the premises, (iv) sell and offer for sale at retail from the licensed premises for off-premises consumption no more than 155,000 gallons per year so long as such sales are only made in-person, (v) sell and offer for sale at retail for use and consumption on the premises specified in the license any form of alcoholic liquor purchased from a licensed distributor or importing distributor, and (vi) with the prior approval of the Commission, annually transfer no more than 155,000 gallons of beer manufactured on the premises to a licensed brew pub wholly owned and operated by the same licensee.

A brew pub licensee shall not under any circumstance sell or offer for sale beer manufactured by the brew pub licensee to retail licensees.

A person who holds a class 2 brewer license may simultaneously hold a brew pub license if the class 2 brewer (i) does not, under any circumstance, sell or offer for sale beer manufactured by the class 2 brewer to retail licensees; (ii) does not hold more than 3 brew pub licenses in this State; (iii) does not manufacture more than a combined 3,720,000 gallons of beer per year, including the beer manufactured at the brew pub; and (iv) is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or any other alcoholic liquor.

Notwithstanding any other provision of this Act, a licensed brewer, class 2 brewer, or non-resident dealer who before July 1, 2015 manufactured less than 3,720,000 gallons of beer per year and held a brew pub license on or before July 1, 2015 may (i) continue to qualify for and hold that brew pub license for the licensed premises and (ii) manufacture more than 3,720,000 gallons of beer per year and continue to qualify for and hold that brew pub license if that brewer, class 2 brewer, or non-resident dealer does not simultaneously hold a class 1 brewer license and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or that produces any other alcoholic liquor.

(o) A caterer retailer license shall allow the holder to serve alcoholic liquors as an incidental part of a food service that serves prepared meals which excludes the serving of snacks as the primary meal, either on or off-site whether licensed or unlicensed.

(p) An auction liquor license shall allow the licensee to sell and offer for sale at auction wine and spirits for use or consumption, or for resale by an Illinois liquor licensee in accordance with provisions of this Act. An auction liquor license will be issued to a person and it will permit the auction liquor licensee to hold the auction anywhere in the State. An auction liquor license must be obtained for each auction at least 14 days in advance of the auction date.

(q) A special use permit license shall allow an Illinois licensed retailer to transfer a portion of its alcoholic liquor inventory from its retail licensed premises to the premises specified in the license hereby created, and to sell or offer for sale at retail, only in the premises specified in the license hereby created, the transferred alcoholic liquor for use or consumption, but not for resale in any form. A special use permit license may be granted for the following time periods: one day or less; 2 or more days to a maximum of 15 days per location in any 12-month period. An applicant for the special use permit license must also submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.

(r) A winery shipper's license shall allow a person with a first-class or second-class wine manufacturer's license, a first-class or second-class wine-maker's license, or a limited wine manufacturer's license or who is licensed to make wine under the laws of another state to ship wine made by that licensee directly to a resident of this State who is 21 years of age or older for that resident's personal use and not for resale. Prior to receiving a winery shipper's license, an applicant for the license must provide the Commission with a true copy of its current license in any state in which it is licensed as a manufacturer of wine. An applicant for a winery shipper's license must also complete an application form that provides any other information the Commission deems necessary. The application form shall include all addresses from which the applicant for a winery shipper's license intends to ship wine, including the name and address of any third party, except for a common carrier, authorized to ship wine on behalf of the manufacturer. The application form shall include an acknowledgement consenting to the jurisdiction of the Commission, the Illinois Department of Revenue, and the courts of this State concerning the enforcement of this Act and any related laws, rules, and regulations, including authorizing the Department of Revenue and the Commission to conduct audits for the purpose of ensuring compliance with Public Act 95-634, and an acknowledgement that the wine manufacturer is in compliance with Section 6-2 of this Act. Any third party, except for a common carrier, authorized to ship wine on behalf of a first-class or second-class wine manufacturer's licensee, a first-class or second-class wine-maker's licensee, a limited wine manufacturer's licensee, or a person who is licensed to make wine under the laws of another state shall also be disclosed by the winery shipper's licensee, and a copy of the written appointment of the third-party wine provider, except for a common carrier, to the wine manufacturer shall be filed with the State Commission as a supplement to the winery shipper's license application or any renewal thereof. The winery shipper's license holder shall affirm under penalty of perjury, as part of the winery shipper's license application or renewal, that he or she only ships wine, either directly or indirectly through a third-party provider, from the licensee's own production.

Except for a common carrier, a third-party provider shipping wine on behalf of a winery shipper's license holder is the agent of the winery shipper's license holder and, as such, a winery shipper's license holder is responsible for the acts and omissions of the third-party provider acting on behalf of the license holder. A

third-party provider, except for a common carrier, that engages in shipping wine into Illinois on behalf of a winery shipper's license holder shall consent to the jurisdiction of the State Commission and the State. Any third-party, except for a common carrier, holding such an appointment shall, by February 1 of each calendar year and upon request by the State Commission or the Department of Revenue, file with the State Commission a statement detailing each shipment made to an Illinois resident. The statement shall include the name and address of the third-party provider filing the statement, the time period covered by the statement, and the following information:

- (1) the name, address, and license number of the winery shipper on whose behalf the shipment was made;
- (2) the quantity of the products delivered; and
- (3) the date and address of the shipment.

If the Department of Revenue or the State Commission requests a statement under this paragraph, the third-party provider must provide that statement no later than 30 days after the request is made. Any books, records, supporting papers, and documents containing information and data relating to a statement under this paragraph shall be kept and preserved for a period of 3 years, unless their destruction sooner is authorized, in writing, by the Director of Revenue, and shall be open and available to inspection by the Director of Revenue or the State Commission or any duly authorized officer, agent, or employee of the State Commission or the Department of Revenue, at all times during business hours of the day. Any person who violates any provision of this paragraph or any rule of the State Commission for the administration and enforcement of the provisions of this paragraph is guilty of a Class C misdemeanor. In case of a continuing violation, each day's continuance thereof shall be a separate and distinct offense.

The State Commission shall adopt rules as soon as practicable to implement the requirements of Public Act 99-904 and shall adopt rules prohibiting any such third-party appointment of a third-party provider, except for a common carrier, that has been deemed by the State Commission to have violated the provisions of this Act with regard to any winery shipper licensee.

A winery shipper licensee must pay to the Department of Revenue the State liquor gallonage tax under Section 8-1 for all wine that is sold by the licensee and shipped to a person in this State. For the purposes of Section 8-1, a winery shipper licensee shall be taxed in the same manner as a manufacturer of wine. A licensee who is not otherwise required to register under the Retailers' Occupation Tax Act must register under the Use Tax Act to collect and remit use tax to the Department of Revenue for all gallons of wine that are sold by the licensee and shipped to persons in this State. If a licensee fails to remit the tax imposed under this Act in accordance with the provisions of Article VIII of this Act, the winery shipper's license shall be revoked in accordance with the provisions of Article VII of this Act. If a licensee fails to properly register and remit tax under the Use Tax Act or the Retailers' Occupation Tax Act for all wine that is sold by the winery shipper and shipped to persons in this State, the winery shipper's license shall be revoked in accordance with the provisions of Article VII of this Act.

A winery shipper licensee must collect, maintain, and submit to the Commission on a semi-annual basis the total number of cases per resident of wine shipped to residents of this State. A winery shipper licensed under this subsection (r) must comply with the requirements of Section 6-29 of this Act.

Pursuant to paragraph (5.1) or (5.3) of subsection (a) of Section 3-12, the State Commission may receive, respond to, and investigate any complaint and impose any of the remedies specified in paragraph (1) of subsection (a) of Section 3-12.

As used in this subsection, "third-party provider" means any entity that provides fulfillment house services, including warehousing, packaging, distribution, order processing, or shipment of wine, but not the sale of wine, on behalf of a licensed winery shipper.

(s) A craft distiller tasting permit license shall allow an Illinois licensed craft distiller to transfer a portion of its alcoholic liquor inventory from its craft distiller licensed premises to the premises specified in the license hereby created and to conduct a sampling, only in the premises specified in the license hereby created, of the transferred alcoholic liquor in accordance with subsection (c) of Section 6-31 of this Act. The transferred alcoholic liquor may not be sold or resold in any form. An applicant for the craft distiller tasting permit license must also submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.

A brewer warehouse permit may be issued to the holder of a class 1 brewer license or a class 2 brewer license. If the holder of the permit is a class 1 brewer licensee, the brewer warehouse permit shall allow the holder to store or warehouse up to 930,000 gallons of tax-determined beer manufactured by the holder of the permit at the premises specified on the permit. If the holder of the permit is a class 2 brewer licensee, the brewer warehouse permit shall allow the holder to store or warehouse up to 3,720,000 gallons of tax-

determined beer manufactured by the holder of the permit at the premises specified on the permit. Sales to non-licensees are prohibited at the premises specified in the brewer warehouse permit.

(Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff. 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17; 100-816, eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff. 8-23-18; revised 10-2-18.)

(235 ILCS 5/6-30) (from Ch. 43, par. 144f)

Sec. 6-30. Notwithstanding any other provision of this Act, the Illinois Gaming Board shall have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat during riverboat gambling excursions and in a casino conducted in accordance with the Illinois Riverboat Gambling Act.

(Source: P.A. 87-826.)

Section 35-70. The Illinois Public Aid Code is amended by changing Section 10-17.15 as follows:
(305 ILCS 5/10-17.15)

Sec. 10-17.15. Certification of information to State gaming licensees.

(a) For purposes of this Section, "State gaming licensee" means, as applicable, an organization licensee or advance deposit wagering licensee licensed under the Illinois Horse Racing Act of 1975, an owners licensee licensed under the Illinois Riverboat Gambling Act, or a licensee that operates, under any law of this State, one or more facilities or gaming locations at which lawful gambling is authorized and licensed as provided in the Illinois Riverboat Gambling Act.

(b) The Department may provide, by rule, for certification to any State gaming licensee of past due child support owed by a responsible relative under a support order entered by a court or administrative body of this or any other State on behalf of a resident or non-resident receiving child support services under this Article in accordance with the requirements of Title IV-D, Part D, of the Social Security Act. The State gaming licensee shall have the ability to withhold from winnings required to be reported to the Internal Revenue Service on Form W-2G, up to the full amount of winnings necessary to pay the winner's past due child support. The rule shall provide for notice to and an opportunity to be heard by each responsible relative affected and any final administrative decision rendered by the Department shall be reviewed only under and in accordance with the Administrative Review Law.

(c) For withholding of winnings, the State gaming licensee shall be entitled to an administrative fee not to exceed the lesser of 4% of the total amount of cash winnings paid to the gambling winner or \$150.

(d) In no event may the total amount withheld from the cash payout, including the administrative fee, exceed the total cash winnings claimed by the obligor. If the cash payout claimed is greater than the amount sufficient to satisfy the obligor's delinquent child support payments, the State gaming licensee shall pay the obligor the remaining balance of the payout, less the administrative fee authorized by subsection (c) of this Section, at the time it is claimed.

(e) A State gaming licensee who in good faith complies with the requirements of this Section shall not be liable to the gaming winner or any other individual or entity.

(Source: P.A. 98-318, eff. 8-12-13.)

Section 35-75. The Firearm Concealed Carry Act is amended by changing Section 65 as follows:
(430 ILCS 66/65)

Sec. 65. Prohibited areas.

(a) A licensee under this Act shall not knowingly carry a firearm on or into:

(1) Any building, real property, and parking area under the control of a public or private elementary or secondary school.

(2) Any building, real property, and parking area under the control of a pre-school or child care facility, including any room or portion of a building under the control of a pre-school or child care facility. Nothing in this paragraph shall prevent the operator of a child care facility in a family home from owning or possessing a firearm in the home or license under this Act, if no child under child care at the home is present in the home or the firearm in the home is stored in a locked container when a child under child care at the home is present in the home.

(3) Any building, parking area, or portion of a building under the control of an officer of the executive or legislative branch of government, provided that nothing in this paragraph shall prohibit a licensee from carrying a concealed firearm onto the real property, bikeway, or trail in a park regulated by the Department of Natural Resources or any other designated public hunting area or building where firearm possession is permitted as established by the Department of Natural Resources under Section 1.8 of the Wildlife Code.

(4) Any building designated for matters before a circuit court, appellate court, or the

Supreme Court, or any building or portion of a building under the control of the Supreme Court.

(5) Any building or portion of a building under the control of a unit of local government.

(6) Any building, real property, and parking area under the control of an adult or juvenile detention or correctional institution, prison, or jail.

(7) Any building, real property, and parking area under the control of a public or private hospital or hospital affiliate, mental health facility, or nursing home.

(8) Any bus, train, or form of transportation paid for in whole or in part with public funds, and any building, real property, and parking area under the control of a public transportation facility paid for in whole or in part with public funds.

(9) Any building, real property, and parking area under the control of an establishment that serves alcohol on its premises, if more than 50% of the establishment's gross receipts within the prior 3 months is from the sale of alcohol. The owner of an establishment who knowingly fails to prohibit concealed firearms on its premises as provided in this paragraph or who knowingly makes a false statement or record to avoid the prohibition on concealed firearms under this paragraph is subject to the penalty under subsection (c-5) of Section 10-1 of the Liquor Control Act of 1934.

(10) Any public gathering or special event conducted on property open to the public that requires the issuance of a permit from the unit of local government, provided this prohibition shall not apply to a licensee who must walk through a public gathering in order to access his or her residence, place of business, or vehicle.

(11) Any building or real property that has been issued a Special Event Retailer's license as defined in Section 1-3.17.1 of the Liquor Control Act during the time designated for the sale of alcohol by the Special Event Retailer's license, or a Special use permit license as defined in subsection (q) of Section 5-1 of the Liquor Control Act during the time designated for the sale of alcohol by the Special use permit license.

(12) Any public playground.

(13) Any public park, athletic area, or athletic facility under the control of a municipality or park district, provided nothing in this Section shall prohibit a licensee from carrying a concealed firearm while on a trail or bikeway if only a portion of the trail or bikeway includes a public park.

(14) Any real property under the control of the Cook County Forest Preserve District.

(15) Any building, classroom, laboratory, medical clinic, hospital, artistic venue, athletic venue, entertainment venue, officially recognized university-related organization property, whether owned or leased, and any real property, including parking areas, sidewalks, and common areas under the control of a public or private community college, college, or university.

(16) Any building, real property, or parking area under the control of a gaming facility licensed under the ~~Illinois Riverboat~~ Gambling Act or the Illinois Horse Racing Act of 1975, including an inter-track wagering location licensee.

(17) Any stadium, arena, or the real property or parking area under the control of a stadium, arena, or any collegiate or professional sporting event.

(18) Any building, real property, or parking area under the control of a public library.

(19) Any building, real property, or parking area under the control of an airport.

(20) Any building, real property, or parking area under the control of an amusement park.

(21) Any building, real property, or parking area under the control of a zoo or museum.

(22) Any street, driveway, parking area, property, building, or facility, owned, leased, controlled, or used by a nuclear energy, storage, weapons, or development site or facility regulated by the federal Nuclear Regulatory Commission. The licensee shall not under any circumstance store a firearm or ammunition in his or her vehicle or in a compartment or container within a vehicle located anywhere in or on the street, driveway, parking area, property, building, or facility described in this paragraph.

(23) Any area where firearms are prohibited under federal law.

(a-5) Nothing in this Act shall prohibit a public or private community college, college, or university from:

(1) prohibiting persons from carrying a firearm within a vehicle owned, leased, or controlled by the college or university;

(2) developing resolutions, regulations, or policies regarding student, employee, or visitor misconduct and discipline, including suspension and expulsion;

(3) developing resolutions, regulations, or policies regarding the storage or

maintenance of firearms, which must include designated areas where persons can park vehicles that carry firearms; and

(4) permitting the carrying or use of firearms for the purpose of instruction and curriculum of officially recognized programs, including but not limited to military science and law enforcement training programs, or in any designated area used for hunting purposes or target shooting.

(a-10) The owner of private real property of any type may prohibit the carrying of concealed firearms on the property under his or her control. The owner must post a sign in accordance with subsection (d) of this Section indicating that firearms are prohibited on the property, unless the property is a private residence.

(b) Notwithstanding subsections (a), (a-5), and (a-10) of this Section except under paragraph (22) or (23) of subsection (a), any licensee prohibited from carrying a concealed firearm into the parking area of a prohibited location specified in subsection (a), (a-5), or (a-10) of this Section shall be permitted to carry a concealed firearm on or about his or her person within a vehicle into the parking area and may store a firearm or ammunition concealed in a case within a locked vehicle or locked container out of plain view within the vehicle in the parking area. A licensee may carry a concealed firearm in the immediate area surrounding his or her vehicle within a prohibited parking lot area only for the limited purpose of storing or retrieving a firearm within the vehicle's trunk. For purposes of this subsection, "case" includes a glove compartment or console that completely encloses the concealed firearm or ammunition, the trunk of the vehicle, or a firearm carrying box, shipping box, or other container.

(c) A licensee shall not be in violation of this Section while he or she is traveling along a public right of way that touches or crosses any of the premises under subsection (a), (a-5), or (a-10) of this Section if the concealed firearm is carried on his or her person in accordance with the provisions of this Act or is being transported in a vehicle by the licensee in accordance with all other applicable provisions of law.

(d) Signs stating that the carrying of firearms is prohibited shall be clearly and conspicuously posted at the entrance of a building, premises, or real property specified in this Section as a prohibited area, unless the building or premises is a private residence. Signs shall be of a uniform design as established by the Department and shall be 4 inches by 6 inches in size. The Department shall adopt rules for standardized signs to be used under this subsection.

(Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)

Section 35-80. The Criminal Code of 2012 is amended by changing Sections 28-1, 28-1.1, 28-2, 28-3, 28-5, and 28-7 as follows:

(720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

Sec. 28-1. Gambling.

(a) A person commits gambling when he or she:

(1) knowingly plays a game of chance or skill for money or other thing of value, unless excepted in subsection (b) of this Section;

(2) knowingly makes a wager upon the result of any game, contest, or any political nomination, appointment or election;

(3) knowingly operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device;

(4) contracts to have or give himself or herself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, where it is at the time of making such contract intended by both parties thereto that the contract to buy or sell, or the option, whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered with the Secretary of State pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the meaning of this paragraph (4);

(5) knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager;

(6) knowingly sells pools upon the result of any game or contest of skill or chance, political nomination, appointment or election;

(7) knowingly sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery;

(8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device;

(9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or

(12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by means of the Internet. This item (12) does not apply to activities referenced in items (6) and (6.1) of subsection (b) of this Section.

(b) Participants in any of the following activities shall not be convicted of gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance.

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of this State.

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law. This exemption includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of the Illinois Lottery Law and its rules.

(6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.

(7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique slot machine is one manufactured 25 years ago or earlier.

(8) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act.

(9) Charitable games when conducted in accordance with the Charitable Games Act.

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.

(11) Gambling games conducted on riverboats when authorized by the Illinois Riverboat Gambling Act.

(12) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act.

(13) Games of skill or chance where money or other things of value can be won but no payment or purchase is required to participate.

(14) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(c) Sentence.

Gambling is a Class A misdemeanor. A second or subsequent conviction under subsections (a)(3) through (a)(12), is a Class 4 felony.

(d) Circumstantial evidence.

In prosecutions under this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

Sec. 28-1.1. Syndicated gambling.

(a) Declaration of Purpose. Recognizing the close relationship between professional gambling and other organized crime, it is declared to be the policy of the legislature to restrain persons from engaging in the business of gambling for profit in this State. This Section shall be liberally construed and administered with a view to carrying out this policy.

(b) A person commits syndicated gambling when he or she operates a "policy game" or engages in the business of bookmaking.

(c) A person "operates a policy game" when he or she knowingly uses any premises or property for the purpose of receiving or knowingly does receive from what is commonly called "policy":

(1) money from a person other than the bettor or player whose bets or plays are represented by the money; or

(2) written "policy game" records, made or used over any period of time, from a person other than the bettor or player whose bets or plays are represented by the written record.

(d) A person engages in bookmaking when he or she knowingly receives or accepts more than five bets or wagers upon the result of any trials or contests of skill, speed or power of endurance or upon any lot, chance, casualty, unknown or contingent event whatsoever, which bets or wagers shall be of such size that the total of the amounts of money paid or promised to be paid to the bookmaker on account thereof shall exceed \$2,000. Bookmaking is the receiving or accepting of bets or wagers regardless of the form or manner in which the bookmaker records them.

(e) Participants in any of the following activities shall not be convicted of syndicated gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance;

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in the contest;

(3) Pari-mutuel betting as authorized by law of this State;

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when the transportation is not prohibited by any applicable Federal law;

(5) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act;

(6) Gambling games conducted on riverboats, in casinos, or at organization gaming facilities when authorized by the Illinois Riverboat Gambling Act;

(7) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act; and

(8) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(f) Sentence. Syndicated gambling is a Class 3 felony.

(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-2) (from Ch. 38, par. 28-2)

Sec. 28-2. Definitions.

(a) A "gambling device" is any clock, tape machine, slot machine or other machines or device for the reception of money or other thing of value on chance or skill or upon the action of which money or other thing of value is staked, hazarded, bet, won or lost; or any mechanism, furniture, fixture, equipment or other device designed primarily for use in a gambling place. A "gambling device" does not include:

(1) A coin-in-the-slot operated mechanical device played for amusement which rewards the player with the right to replay such mechanical device, which device is so constructed or devised as to make such result of the operation thereof depend in part upon the skill of the player and which returns to the player thereof no money, property or right to receive money or property.

(2) Vending machines by which full and adequate return is made for the money invested

and in which there is no element of chance or hazard.

(3) A crane game. For the purposes of this paragraph (3), a "crane game" is an amusement device involving skill, if it rewards the player exclusively with merchandise contained within the amusement device proper and limited to toys, novelties and prizes other than currency, each having a wholesale value which is not more than \$25.

(4) A redemption machine. For the purposes of this paragraph (4), a "redemption machine" is a single-player or multi-player amusement device involving a game, the object of which is throwing, rolling, bowling, shooting, placing, or propelling a ball or other object that is either physical or computer generated on a display or with lights into, upon, or against a hole or other target that is either physical or computer generated on a display or with lights, or stopping, by physical, mechanical, or electronic means, a moving object that is either physical or computer generated on a display or with lights into, upon, or against a hole or other target that is either physical or computer generated on a display or with lights, provided that all of the following conditions are met:

(A) The outcome of the game is predominantly determined by the skill of the player.

(B) The award of the prize is based solely upon the player's achieving the object of the game or otherwise upon the player's score.

(C) Only merchandise prizes are awarded.

(D) The wholesale value of prizes awarded in lieu of tickets or tokens for single play of the device does not exceed \$25.

(E) The redemption value of tickets, tokens, and other representations of value, which may be accumulated by players to redeem prizes of greater value, for a single play of the device does not exceed \$25.

(5) Video gaming terminals at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment licensed in accordance with the Video Gaming Act.

(a-5) "Internet" means an interactive computer service or system or an information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, and includes, but is not limited to, an information service, system, or access software provider that provides access to a network system commonly known as the Internet, or any comparable system or service and also includes, but is not limited to, a World Wide Web page, newsgroup, message board, mailing list, or chat area on any interactive computer service or system or other online service.

(a-6) "Access" and "computer" have the meanings ascribed to them in Section 16D-2 of this Code.

(b) A "lottery" is any scheme or procedure whereby one or more prizes are distributed by chance among persons who have paid or promised consideration for a chance to win such prizes, whether such scheme or procedure is called a lottery, raffle, gift, sale or some other name, excluding savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(c) A "policy game" is any scheme or procedure whereby a person promises or guarantees by any instrument, bill, certificate, writing, token or other device that any particular number, character, ticket or certificate shall in the event of any contingency in the nature of a lottery entitle the purchaser or holder to receive money, property or evidence of debt.

(Source: P.A. 98-31, eff. 6-24-13; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

Sec. 28-3. Keeping a Gambling Place. A "gambling place" is any real estate, vehicle, boat or any other property whatsoever used for the purposes of gambling other than gambling conducted in the manner authorized by the Illinois Riverboat Gambling Act or the Video Gaming Act. Any person who knowingly permits any premises or property owned or occupied by him or under his control to be used as a gambling place commits a Class A misdemeanor. Each subsequent offense is a Class 4 felony. When any premises is determined by the circuit court to be a gambling place:

(a) Such premises is a public nuisance and may be proceeded against as such, and

(b) All licenses, permits or certificates issued by the State of Illinois or any subdivision or public agency thereof authorizing the serving of food or liquor on such premises shall be void; and no license, permit or certificate so cancelled shall be reissued for such premises for a period of 60 days thereafter; nor shall any person convicted of keeping a gambling place be reissued such license for one year from his conviction and, after a second conviction of keeping a gambling place, any such person shall not be reissued such license, and

(c) Such premises of any person who knowingly permits thereon a violation of any Section of this Article shall be held liable for, and may be sold to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied under any Section of this Article.
(Source: P.A. 96-34, eff. 7-13-09.)

(720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

Sec. 28-5. Seizure of gambling devices and gambling funds.

(a) Every device designed for gambling which is incapable of lawful use or every device used unlawfully for gambling shall be considered a "gambling device", and shall be subject to seizure, confiscation and destruction by the Department of State Police or by any municipal, or other local authority, within whose jurisdiction the same may be found. As used in this Section, a "gambling device" includes any slot machine, and includes any machine or device constructed for the reception of money or other thing of value and so constructed as to return, or to cause someone to return, on chance to the player thereof money, property or a right to receive money or property. With the exception of any device designed for gambling which is incapable of lawful use, no gambling device shall be forfeited or destroyed unless an individual with a property interest in said device knows of the unlawful use of the device.

(b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.

(c) If, within 60 days after any seizure pursuant to subparagraph (b) of this Section, a person having any property interest in the seized property is charged with an offense, the court which renders judgment upon such charge shall, within 30 days after such judgment, conduct a forfeiture hearing to determine whether such property was a gambling device at the time of seizure. Such hearing shall be commenced by a written petition by the State, including material allegations of fact, the name and address of every person determined by the State to have any property interest in the seized property, a representation that written notice of the date, time and place of such hearing has been mailed to every such person by certified mail at least 10 days before such date, and a request for forfeiture. Every such person may appear as a party and present evidence at such hearing. The quantum of proof required shall be a preponderance of the evidence, and the burden of proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, an order of forfeiture and disposition of the seized property shall be entered: a gambling device shall be received by the State's Attorney, who shall effect its destruction, except that valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county wherein such seizure occurred; money and other things of value shall be received by the State's Attorney and, upon liquidation, shall be deposited in the general fund of the county wherein such seizure occurred. However, in the event that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph (b) (7) of Section 28-1 of this Code and therefore he is exempt from the charge of a gambling activity participant, the seized antique slot machine shall not be destroyed or otherwise altered until a final determination is made by the Court as to whether it is such an antique slot machine. Upon a final determination by the Court of this question in favor of the defendant, such slot machine shall be immediately returned to the defendant. Such order of forfeiture and disposition shall, for the purposes of appeal, be a final order and judgment in a civil proceeding.

(d) If a seizure pursuant to subparagraph (b) of this Section is not followed by a charge pursuant to subparagraph (c) of this Section, or if the prosecution of such charge is permanently terminated or indefinitely discontinued without any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture and destruction of a gambling device, or for the forfeiture and deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) any person having any property interest in such seized gambling device, money or other thing of value may commence separate civil proceedings in the manner provided by law.

(e) Any gambling device displayed for sale to a riverboat gambling operation, casino gambling operation, or organization gaming facility or used to train occupational licensees of a riverboat gambling operation, casino gambling operation, or organization gaming facility as authorized under the Illinois Riverboat Gambling Act is exempt from seizure under this Section.

(f) Any gambling equipment, devices, and supplies provided by a licensed supplier in accordance with the Illinois Riverboat Gambling Act which are removed from a the riverboat, casino, or organization gaming facility for repair are exempt from seizure under this Section.

(g) The following video gaming terminals are exempt from seizure under this Section:

- (1) Video gaming terminals for sale to a licensed distributor or operator under the Video Gaming Act.
- (2) Video gaming terminals used to train licensed technicians or licensed terminal handlers.

(3) Video gaming terminals that are removed from a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment for repair.

(h) Property seized or forfeited under this Section is subject to reporting under the Seizure and Forfeiture Reporting Act.

(Source: P.A. 100-512, eff. 7-1-18.)

(720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

Sec. 28-7. Gambling contracts void.

(a) All promises, notes, bills, bonds, covenants, contracts, agreements, judgments, mortgages, or other securities or conveyances made, given, granted, drawn, or entered into, or executed by any person whatsoever, where the whole or any part of the consideration thereof is for any money or thing of value, won or obtained in violation of any Section of this Article are null and void.

(b) Any obligation void under this Section may be set aside and vacated by any court of competent jurisdiction, upon a complaint filed for that purpose, by the person so granting, giving, entering into, or executing the same, or by his executors or administrators, or by any creditor, heir, legatee, purchaser or other person interested therein; or if a judgment, the same may be set aside on motion of any person stated above, on due notice thereof given.

(c) No assignment of any obligation void under this Section may in any manner affect the defense of the person giving, granting, drawing, entering into or executing such obligation, or the remedies of any person interested therein.

(d) This Section shall not prevent a licensed owner of a riverboat gambling operation, a casino gambling operation, or an organization gaming licensee under the Illinois Gambling Act and the Illinois Horse Racing Act of 1975 from instituting a cause of action to collect any amount due and owing under an extension of credit to a riverboat gambling patron as authorized under Section 11.1 of the Illinois Riverboat Gambling Act.

(Source: P.A. 87-826.)

Section 35-85. The Payday Loan Reform Act is amended by changing Section 3-5 as follows:

(815 ILCS 122/3-5)

Sec. 3-5. Licensure.

(a) A license to make a payday loan shall state the address, including city and state, at which the business is to be conducted and shall state fully the name of the licensee. The license shall be conspicuously posted in the place of business of the licensee and shall not be transferable or assignable.

(b) An application for a license shall be in writing and in a form prescribed by the Secretary. The Secretary may not issue a payday loan license unless and until the following findings are made:

(1) that the financial responsibility, experience, character, and general fitness of the applicant are such as to command the confidence of the public and to warrant the belief that the business will be operated lawfully and fairly and within the provisions and purposes of this Act; and

(2) that the applicant has submitted such other information as the Secretary may deem necessary.

(c) A license shall be issued for no longer than one year, and no renewal of a license may be provided if a licensee has substantially violated this Act and has not cured the violation to the satisfaction of the Department.

(d) A licensee shall appoint, in writing, the Secretary as attorney-in-fact upon whom all lawful process against the licensee may be served with the same legal force and validity as if served on the licensee. A copy of the written appointment, duly certified, shall be filed in the office of the Secretary, and a copy thereof certified by the Secretary shall be sufficient evidence to subject a licensee to jurisdiction in a court of law. This appointment shall remain in effect while any liability remains outstanding in this State against the licensee. When summons is served upon the Secretary as attorney-in-fact for a licensee, the Secretary shall immediately notify the licensee by registered mail, enclosing the summons and specifying the hour and day of service.

(e) A licensee must pay an annual fee of \$1,000. In addition to the license fee, the reasonable expense of any examination or hearing by the Secretary under any provisions of this Act shall be borne by the licensee. If a licensee fails to renew its license by December 1, its license shall automatically expire; however, the Secretary, in his or her discretion, may reinstate an expired license upon:

(1) payment of the annual fee within 30 days of the date of expiration; and

(2) proof of good cause for failure to renew.

(f) Not more than one place of business shall be maintained under the same license, but the Secretary may issue more than one license to the same licensee upon compliance with all the provisions of this Act

[June 2, 2019]

governing issuance of a single license. The location, except those locations already in existence as of June 1, 2005, may not be within one mile of a horse race track subject to the Illinois Horse Racing Act of 1975, within one mile of a facility at which gambling is conducted under the Illinois Riverboat Gambling Act, within one mile of the location at which a riverboat subject to the Illinois Riverboat Gambling Act docks, or within one mile of any State of Illinois or United States military base or naval installation.

(g) No licensee shall conduct the business of making loans under this Act within any office, suite, room, or place of business in which (1) any loans are offered or made under the Consumer Installment Loan Act other than title secured loans as defined in subsection (a) of Section 15 of the Consumer Installment Loan Act and governed by Title 38, Section 110.330 of the Illinois Administrative Code or (2) any other business is solicited or engaged in unless the other business is licensed by the Department or, in the opinion of the Secretary, the other business would not be contrary to the best interests of consumers and is authorized by the Secretary in writing.

(g-5) Notwithstanding subsection (g) of this Section, a licensee may obtain a license under the Consumer Installment Loan Act (CILA) for the exclusive purpose and use of making title secured loans, as defined in subsection (a) of Section 15 of CILA and governed by Title 38, Section 110.300 of the Illinois Administrative Code. A licensee may continue to service Consumer Installment Loan Act loans that were outstanding as of the effective date of this amendatory Act of the 96th General Assembly.

(h) The Secretary shall maintain a list of licensees that shall be available to interested consumers and lenders and the public. The Secretary shall maintain a toll-free number whereby consumers may obtain information about licensees. The Secretary shall also establish a complaint process under which an aggrieved consumer may file a complaint against a licensee or non-licensee who violates any provision of this Act.

(Source: P.A. 100-958, eff. 8-19-18.)

Section 35-90. The Travel Promotion Consumer Protection Act is amended by changing Section 2 as follows:

(815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

Sec. 2. Definitions.

(a) "Travel promoter" means a person, including a tour operator, who sells, provides, furnishes, contracts for, arranges or advertises that he or she will arrange wholesale or retail transportation by air, land, sea or navigable stream, either separately or in conjunction with other services. "Travel promoter" does not include (1) an air carrier; (2) a sea carrier; (3) an officially appointed agent of an air carrier who is a member in good standing of the Airline Reporting Corporation; (4) a travel promoter who has in force \$1,000,000 or more of liability insurance coverage for professional errors and omissions and a surety bond or equivalent surety in the amount of \$100,000 or more for the benefit of consumers in the event of a bankruptcy on the part of the travel promoter; or (5) a riverboat subject to regulation under the Illinois Riverboat Gambling Act.

(b) "Advertise" means to make any representation in the solicitation of passengers and includes communication with other members of the same partnership, corporation, joint venture, association, organization, group or other entity.

(c) "Passenger" means a person on whose behalf money or other consideration has been given or is to be given to another, including another member of the same partnership, corporation, joint venture, association, organization, group or other entity, for travel.

(d) "Ticket or voucher" means a writing or combination of writings which is itself good and sufficient to obtain transportation and other services for which the passenger has contracted.

(Source: P.A. 91-357, eff. 7-29-99.)

(30 ILCS 105/5.490 rep.)

Section 35-95. The State Finance Act is amended by repealing Section 5.490.

(230 ILCS 5/2.1 rep.) (230 ILCS 5/54 rep.)

Section 35-100. The Illinois Horse Racing Act of 1975 is amended by repealing Sections 2.1 and 54.

Article 99. Severability; Effective Date

Section 99-95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 99-97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 99-99. Effective date. This Act takes effect upon becoming law, except that the changes made to Section 2 of the Use Tax Act take effect on January 1, 2020."

Under the rules, the foregoing **Senate Bill No. 690**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1814

A bill for AN ACT concerning finance.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1814

House Amendment No. 2 to SENATE BILL NO. 1814

Passed the House, as amended, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1814

AMENDMENT NO. 1. Amend Senate Bill 1814 by replacing everything after the enacting clause with the following:

"ARTICLE 1. SHORT TITLE; PURPOSE

Section 1-1. Short title. This Act may be cited as the FY2020 Budget Implementation Act.

Section 1-5. Purpose. It is the purpose of this Act to make changes in State programs that are necessary to implement the State budget for Fiscal Year 2020.

ARTICLE 5. AMENDATORY PROVISIONS

Section 5-5. The Illinois Act on the Aging is amended by changing Section 4.02 as follows:
(20 ILCS 105/4.02) (from Ch. 23, par. 6104.02)

Sec. 4.02. Community Care Program. The Department shall establish a program of services to prevent unnecessary institutionalization of persons age 60 and older in need of long term care or who are established as persons who suffer from Alzheimer's disease or a related disorder under the Alzheimer's Disease Assistance Act, thereby enabling them to remain in their own homes or in other living arrangements. Such preventive services, which may be coordinated with other programs for the aged and monitored by area agencies on aging in cooperation with the Department, may include, but are not limited to, any or all of the following:

- (a) (blank);
- (b) (blank);
- (c) home care aide services;
- (d) personal assistant services;
- (e) adult day services;
- (f) home-delivered meals;
- (g) education in self-care;
- (h) personal care services;
- (i) adult day health services;
- (j) habilitation services;
- (k) respite care;
- (k-5) community reintegration services;
- (k-6) flexible senior services;

[June 2, 2019]

- (k-7) medication management;
- (k-8) emergency home response;
- (l) other nonmedical social services that may enable the person to become self-supporting; or
- (m) clearinghouse for information provided by senior citizen home owners who want to rent rooms to or share living space with other senior citizens.

The Department shall establish eligibility standards for such services. In determining the amount and nature of services for which a person may qualify, consideration shall not be given to the value of cash, property or other assets held in the name of the person's spouse pursuant to a written agreement dividing marital property into equal but separate shares or pursuant to a transfer of the person's interest in a home to his spouse, provided that the spouse's share of the marital property is not made available to the person seeking such services.

Beginning January 1, 2008, the Department shall require as a condition of eligibility that all new financially eligible applicants apply for and enroll in medical assistance under Article V of the Illinois Public Aid Code in accordance with rules promulgated by the Department.

The Department shall, in conjunction with the Department of Public Aid (now Department of Healthcare and Family Services), seek appropriate amendments under Sections 1915 and 1924 of the Social Security Act. The purpose of the amendments shall be to extend eligibility for home and community based services under Sections 1915 and 1924 of the Social Security Act to persons who transfer to or for the benefit of a spouse those amounts of income and resources allowed under Section 1924 of the Social Security Act. Subject to the approval of such amendments, the Department shall extend the provisions of Section 5-4 of the Illinois Public Aid Code to persons who, but for the provision of home or community-based services, would require the level of care provided in an institution, as is provided for in federal law. Those persons no longer found to be eligible for receiving noninstitutional services due to changes in the eligibility criteria shall be given 45 days notice prior to actual termination. Those persons receiving notice of termination may contact the Department and request the determination be appealed at any time during the 45 day notice period. The target population identified for the purposes of this Section are persons age 60 and older with an identified service need. Priority shall be given to those who are at imminent risk of institutionalization. The services shall be provided to eligible persons age 60 and older to the extent that the cost of the services together with the other personal maintenance expenses of the persons are reasonably related to the standards established for care in a group facility appropriate to the person's condition. These non-institutional services, pilot projects or experimental facilities may be provided as part of or in addition to those authorized by federal law or those funded and administered by the Department of Human Services. The Departments of Human Services, Healthcare and Family Services, Public Health, Veterans' Affairs, and Commerce and Economic Opportunity and other appropriate agencies of State, federal and local governments shall cooperate with the Department on Aging in the establishment and development of the non-institutional services. The Department shall require an annual audit from all personal assistant and home care aide vendors contracting with the Department under this Section. The annual audit shall assure that each audited vendor's procedures are in compliance with Department's financial reporting guidelines requiring an administrative and employee wage and benefits cost split as defined in administrative rules. The audit is a public record under the Freedom of Information Act. The Department shall execute, relative to the nursing home prescreening project, written inter-agency agreements with the Department of Human Services and the Department of Healthcare and Family Services, to effect the following: (1) intake procedures and common eligibility criteria for those persons who are receiving non-institutional services; and (2) the establishment and development of non-institutional services in areas of the State where they are not currently available or are undeveloped. On and after July 1, 1996, all nursing home prescreenings for individuals 60 years of age or older shall be conducted by the Department.

As part of the Department on Aging's routine training of case managers and case manager supervisors, the Department may include information on family futures planning for persons who are age 60 or older and who are caregivers of their adult children with developmental disabilities. The content of the training shall be at the Department's discretion.

The Department is authorized to establish a system of recipient copayment for services provided under this Section, such copayment to be based upon the recipient's ability to pay but in no case to exceed the actual cost of the services provided. Additionally, any portion of a person's income which is equal to or less than the federal poverty standard shall not be considered by the Department in determining the copayment. The level of such copayment shall be adjusted whenever necessary to reflect any change in the officially designated federal poverty standard.

The Department, or the Department's authorized representative, may recover the amount of moneys expended for services provided to or in behalf of a person under this Section by a claim against the person's estate or against the estate of the person's surviving spouse, but no recovery may be had until after the death of the surviving spouse, if any, and then only at such time when there is no surviving child who is under age 21 or blind or who has a permanent and total disability. This paragraph, however, shall not bar recovery, at the death of the person, of moneys for services provided to the person or in behalf of the person under this Section to which the person was not entitled; provided that such recovery shall not be enforced against any real estate while it is occupied as a homestead by the surviving spouse or other dependent, if no claims by other creditors have been filed against the estate, or, if such claims have been filed, they remain dormant for failure of prosecution or failure of the claimant to compel administration of the estate for the purpose of payment. This paragraph shall not bar recovery from the estate of a spouse, under Sections 1915 and 1924 of the Social Security Act and Section 5-4 of the Illinois Public Aid Code, who precedes a person receiving services under this Section in death. All moneys for services paid to or in behalf of the person under this Section shall be claimed for recovery from the deceased spouse's estate. "Homestead", as used in this paragraph, means the dwelling house and contiguous real estate occupied by a surviving spouse or relative, as defined by the rules and regulations of the Department of Healthcare and Family Services, regardless of the value of the property.

The Department shall increase the effectiveness of the existing Community Care Program by:

(1) ensuring that in-home services included in the care plan are available on evenings and weekends;

(2) ensuring that care plans contain the services that eligible participants need based on the number of days in a month, not limited to specific blocks of time, as identified by the comprehensive assessment tool selected by the Department for use statewide, not to exceed the total monthly service cost maximum allowed for each service; the Department shall develop administrative rules to implement this item (2);

(3) ensuring that the participants have the right to choose the services contained in their care plan and to direct how those services are provided, based on administrative rules established by the Department;

(4) ensuring that the determination of need tool is accurate in determining the participants' level of need; to achieve this, the Department, in conjunction with the Older Adult Services Advisory Committee, shall institute a study of the relationship between the Determination of Need scores, level of need, service cost maximums, and the development and utilization of service plans no later than May 1, 2008; findings and recommendations shall be presented to the Governor and the General Assembly no later than January 1, 2009; recommendations shall include all needed changes to the service cost maximums schedule and additional covered services;

(5) ensuring that homemakers can provide personal care services that may or may not involve contact with clients, including but not limited to:

(A) bathing;

(B) grooming;

(C) toileting;

(D) nail care;

(E) transferring;

(F) respiratory services;

(G) exercise; or

(H) positioning;

(6) ensuring that homemaker program vendors are not restricted from hiring homemakers who are family members of clients or recommended by clients; the Department may not, by rule or policy, require homemakers who are family members of clients or recommended by clients to accept assignments in homes other than the client;

(7) ensuring that the State may access maximum federal matching funds by seeking approval for the Centers for Medicare and Medicaid Services for modifications to the State's home and community based services waiver and additional waiver opportunities, including applying for enrollment in the Balance Incentive Payment Program by May 1, 2013, in order to maximize federal matching funds; this shall include, but not be limited to, modification that reflects all changes in the Community Care Program services and all increases in the services cost maximum;

(8) ensuring that the determination of need tool accurately reflects the service needs of individuals with Alzheimer's disease and related dementia disorders;

(9) ensuring that services are authorized accurately and consistently for the Community

Care Program (CCP); the Department shall implement a Service Authorization policy directive; the purpose shall be to ensure that eligibility and services are authorized accurately and consistently in the CCP program; the policy directive shall clarify service authorization guidelines to Care Coordination Units and Community Care Program providers no later than May 1, 2013;

(10) working in conjunction with Care Coordination Units, the Department of Healthcare and Family Services, the Department of Human Services, Community Care Program providers, and other stakeholders to make improvements to the Medicaid claiming processes and the Medicaid enrollment procedures or requirements as needed, including, but not limited to, specific policy changes or rules to improve the up-front enrollment of participants in the Medicaid program and specific policy changes or rules to insure more prompt submission of bills to the federal government to secure maximum federal matching dollars as promptly as possible; the Department on Aging shall have at least 3 meetings with stakeholders by January 1, 2014 in order to address these improvements;

(11) requiring home care service providers to comply with the rounding of hours worked provisions under the federal Fair Labor Standards Act (FLSA) and as set forth in 29 CFR 785.48(b) by May 1, 2013;

(12) implementing any necessary policy changes or promulgating any rules, no later than January 1, 2014, to assist the Department of Healthcare and Family Services in moving as many participants as possible, consistent with federal regulations, into coordinated care plans if a care coordination plan that covers long term care is available in the recipient's area; and

(13) maintaining fiscal year 2014 rates at the same level established on January 1, 2013.

By January 1, 2009 or as soon after the end of the Cash and Counseling Demonstration Project as is practicable, the Department may, based on its evaluation of the demonstration project, promulgate rules concerning personal assistant services, to include, but need not be limited to, qualifications, employment screening, rights under fair labor standards, training, fiduciary agent, and supervision requirements. All applicants shall be subject to the provisions of the Health Care Worker Background Check Act.

The Department shall develop procedures to enhance availability of services on evenings, weekends, and on an emergency basis to meet the respite needs of caregivers. Procedures shall be developed to permit the utilization of services in successive blocks of 24 hours up to the monthly maximum established by the Department. Workers providing these services shall be appropriately trained.

Beginning on the effective date of this amendatory Act of 1991, no person may perform chore/housekeeping and home care aide services under a program authorized by this Section unless that person has been issued a certificate of pre-service to do so by his or her employing agency. Information gathered to effect such certification shall include (i) the person's name, (ii) the date the person was hired by his or her current employer, and (iii) the training, including dates and levels. Persons engaged in the program authorized by this Section before the effective date of this amendatory Act of 1991 shall be issued a certificate of all pre- and in-service training from his or her employer upon submitting the necessary information. The employing agency shall be required to retain records of all staff pre- and in-service training, and shall provide such records to the Department upon request and upon termination of the employer's contract with the Department. In addition, the employing agency is responsible for the issuance of certifications of in-service training completed to their employees.

The Department is required to develop a system to ensure that persons working as home care aides and personal assistants receive increases in their wages when the federal minimum wage is increased by requiring vendors to certify that they are meeting the federal minimum wage statute for home care aides and personal assistants. An employer that cannot ensure that the minimum wage increase is being given to home care aides and personal assistants shall be denied any increase in reimbursement costs.

The Community Care Program Advisory Committee is created in the Department on Aging. The Director shall appoint individuals to serve in the Committee, who shall serve at their own expense. Members of the Committee must abide by all applicable ethics laws. The Committee shall advise the Department on issues related to the Department's program of services to prevent unnecessary institutionalization. The Committee shall meet on a bi-monthly basis and shall serve to identify and advise the Department on present and potential issues affecting the service delivery network, the program's clients, and the Department and to recommend solution strategies. Persons appointed to the Committee shall be appointed on, but not limited to, their own and their agency's experience with the program, geographic representation, and willingness to serve. The Director shall appoint members to the Committee to represent provider, advocacy, policy research, and other constituencies committed to the delivery of high quality home and community-based services to older adults. Representatives shall be appointed to ensure representation from community care providers including, but not limited to, adult day service providers, homemaker providers, case coordination and case management units, emergency home

response providers, statewide trade or labor unions that represent home care aides and direct care staff, area agencies on aging, adults over age 60, membership organizations representing older adults, and other organizational entities, providers of care, or individuals with demonstrated interest and expertise in the field of home and community care as determined by the Director.

Nominations may be presented from any agency or State association with interest in the program. The Director, or his or her designee, shall serve as the permanent co-chair of the advisory committee. One other co-chair shall be nominated and approved by the members of the committee on an annual basis. Committee members' terms of appointment shall be for 4 years with one-quarter of the appointees' terms expiring each year. A member shall continue to serve until his or her replacement is named. The Department shall fill vacancies that have a remaining term of over one year, and this replacement shall occur through the annual replacement of expiring terms. The Director shall designate Department staff to provide technical assistance and staff support to the committee. Department representation shall not constitute membership of the committee. All Committee papers, issues, recommendations, reports, and meeting memoranda are advisory only. The Director, or his or her designee, shall make a written report, as requested by the Committee, regarding issues before the Committee.

The Department on Aging and the Department of Human Services shall cooperate in the development and submission of an annual report on programs and services provided under this Section. Such joint report shall be filed with the Governor and the General Assembly on or before September 30 each year.

The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report as required by Section 3.1 of the General Assembly Organization Act and filing such additional copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act.

Those persons previously found eligible for receiving non-institutional services whose services were discontinued under the Emergency Budget Act of Fiscal Year 1992, and who do not meet the eligibility standards in effect on or after July 1, 1992, shall remain ineligible on and after July 1, 1992. Those persons previously not required to cost-share and who were required to cost-share effective March 1, 1992, shall continue to meet cost-share requirements on and after July 1, 1992. Beginning July 1, 1992, all clients will be required to meet eligibility, cost-share, and other requirements and will have services discontinued or altered when they fail to meet these requirements.

For the purposes of this Section, "flexible senior services" refers to services that require one-time or periodic expenditures including, but not limited to, respite care, home modification, assistive technology, housing assistance, and transportation.

The Department shall implement an electronic service verification based on global positioning systems or other cost-effective technology for the Community Care Program no later than January 1, 2014.

The Department shall require, as a condition of eligibility, enrollment in the medical assistance program under Article V of the Illinois Public Aid Code (i) beginning August 1, 2013, if the Auditor General has reported that the Department has failed to comply with the reporting requirements of Section 2-27 of the Illinois State Auditing Act; or (ii) beginning June 1, 2014, if the Auditor General has reported that the Department has not undertaken the required actions listed in the report required by subsection (a) of Section 2-27 of the Illinois State Auditing Act.

The Department shall delay Community Care Program services until an applicant is determined eligible for medical assistance under Article V of the Illinois Public Aid Code (i) beginning August 1, 2013, if the Auditor General has reported that the Department has failed to comply with the reporting requirements of Section 2-27 of the Illinois State Auditing Act; or (ii) beginning June 1, 2014, if the Auditor General has reported that the Department has not undertaken the required actions listed in the report required by subsection (a) of Section 2-27 of the Illinois State Auditing Act.

The Department shall implement co-payments for the Community Care Program at the federally allowable maximum level (i) beginning August 1, 2013, if the Auditor General has reported that the Department has failed to comply with the reporting requirements of Section 2-27 of the Illinois State Auditing Act; or (ii) beginning June 1, 2014, if the Auditor General has reported that the Department has not undertaken the required actions listed in the report required by subsection (a) of Section 2-27 of the Illinois State Auditing Act.

The Department shall provide a bi-monthly report on the progress of the Community Care Program reforms set forth in this amendatory Act of the 98th General Assembly to the Governor, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, and the Minority Leader of the Senate.

The Department shall conduct a quarterly review of Care Coordination Unit performance and adherence to service guidelines. The quarterly review shall be reported to the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, and the

Minority Leader of the Senate. The Department shall collect and report longitudinal data on the performance of each care coordination unit. Nothing in this paragraph shall be construed to require the Department to identify specific care coordination units.

In regard to community care providers, failure to comply with Department on Aging policies shall be cause for disciplinary action, including, but not limited to, disqualification from serving Community Care Program clients. Each provider, upon submission of any bill or invoice to the Department for payment for services rendered, shall include a notarized statement, under penalty of perjury pursuant to Section 1-109 of the Code of Civil Procedure, that the provider has complied with all Department policies.

The Director of the Department on Aging shall make information available to the State Board of Elections as may be required by an agreement the State Board of Elections has entered into with a multi-state voter registration list maintenance system.

Within 30 days after July 6, 2017 (the effective date of Public Act 100-23), rates shall be increased to \$18.29 per hour, for the purpose of increasing, by at least \$.72 per hour, the wages paid by those vendors to their employees who provide homemaker services. The Department shall pay an enhanced rate under the Community Care Program to those in-home service provider agencies that offer health insurance coverage as a benefit to their direct service worker employees consistent with the mandates of Public Act 95-713. For State fiscal years 2018 and 2019, the enhanced rate shall be \$1.77 per hour. The rate shall be adjusted using actuarial analysis based on the cost of care, but shall not be set below \$1.77 per hour. The Department shall adopt rules, including emergency rules under subsections (y) and (bb) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this paragraph.

The General Assembly finds it necessary to authorize an aggressive Medicaid enrollment initiative designed to maximize federal Medicaid funding for the Community Care Program which produces significant savings for the State of Illinois. The Department on Aging shall establish and implement a Community Care Program Medicaid Initiative. Under the Initiative, the Department on Aging shall, at a minimum: (i) provide an enhanced rate to adequately compensate care coordination units to enroll eligible Community Care Program clients into Medicaid; (ii) use recommendations from a stakeholder committee on how best to implement the Initiative; and (iii) establish requirements for State agencies to make enrollment in the State's Medical Assistance program easier for seniors.

The Community Care Program Medicaid Enrollment Oversight Subcommittee is created as a subcommittee of the Older Adult Services Advisory Committee established in Section 35 of the Older Adult Services Act to make recommendations on how best to increase the number of medical assistance recipients who are enrolled in the Community Care Program. The Subcommittee shall consist of all of the following persons who must be appointed within 30 days after the effective date of this amendatory Act of the 100th General Assembly:

- (1) The Director of Aging, or his or her designee, who shall serve as the chairperson of the Subcommittee.
- (2) One representative of the Department of Healthcare and Family Services, appointed by the Director of Healthcare and Family Services.
- (3) One representative of the Department of Human Services, appointed by the Secretary of Human Services.
- (4) One individual representing a care coordination unit, appointed by the Director of Aging.
- (5) One individual from a non-governmental statewide organization that advocates for seniors, appointed by the Director of Aging.
- (6) One individual representing Area Agencies on Aging, appointed by the Director of Aging.
- (7) One individual from a statewide association dedicated to Alzheimer's care, support, and research, appointed by the Director of Aging.
- (8) One individual from an organization that employs persons who provide services under the Community Care Program, appointed by the Director of Aging.
- (9) One member of a trade or labor union representing persons who provide services under the Community Care Program, appointed by the Director of Aging.
- (10) One member of the Senate, who shall serve as co-chairperson, appointed by the President of the Senate.
- (11) One member of the Senate, who shall serve as co-chairperson, appointed by the Minority Leader of the Senate.
- (12) One member of the House of Representatives, who shall serve as co-chairperson, appointed by the Speaker of the House of Representatives.
- (13) One member of the House of Representatives, who shall serve as co-chairperson,

appointed by the Minority Leader of the House of Representatives.

(14) One individual appointed by a labor organization representing frontline employees at the Department of Human Services.

The Subcommittee shall provide oversight to the Community Care Program Medicaid Initiative and shall meet quarterly. At each Subcommittee meeting the Department on Aging shall provide the following data sets to the Subcommittee: (A) the number of Illinois residents, categorized by planning and service area, who are receiving services under the Community Care Program and are enrolled in the State's Medical Assistance Program; (B) the number of Illinois residents, categorized by planning and service area, who are receiving services under the Community Care Program, but are not enrolled in the State's Medical Assistance Program; and (C) the number of Illinois residents, categorized by planning and service area, who are receiving services under the Community Care Program and are eligible for benefits under the State's Medical Assistance Program, but are not enrolled in the State's Medical Assistance Program. In addition to this data, the Department on Aging shall provide the Subcommittee with plans on how the Department on Aging will reduce the number of Illinois residents who are not enrolled in the State's Medical Assistance Program but who are eligible for medical assistance benefits. The Department on Aging shall enroll in the State's Medical Assistance Program those Illinois residents who receive services under the Community Care Program and are eligible for medical assistance benefits but are not enrolled in the State's Medicaid Assistance Program. The data provided to the Subcommittee shall be made available to the public via the Department on Aging's website.

The Department on Aging, with the involvement of the Subcommittee, shall collaborate with the Department of Human Services and the Department of Healthcare and Family Services on how best to achieve the responsibilities of the Community Care Program Medicaid Initiative.

The Department on Aging, the Department of Human Services, and the Department of Healthcare and Family Services shall coordinate and implement a streamlined process for seniors to access benefits under the State's Medical Assistance Program.

The Subcommittee shall collaborate with the Department of Human Services on the adoption of a uniform application submission process. The Department of Human Services and any other State agency involved with processing the medical assistance application of any person enrolled in the Community Care Program shall include the appropriate care coordination unit in all communications related to the determination or status of the application.

The Community Care Program Medicaid Initiative shall provide targeted funding to care coordination units to help seniors complete their applications for medical assistance benefits. On and after July 1, 2019, care coordination units shall receive no less than \$200 per completed application, which rate may be included in a bundled rate for initial intake services when Medicaid application assistance is provided in conjunction with the initial intake process for new program participants.

The Community Care Program Medicaid Initiative shall cease operation 5 years after the effective date of this amendatory Act of the 100th General Assembly, after which the Subcommittee shall dissolve. (Source: P.A. 99-143, eff. 7-27-15; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1148, eff. 12-10-18.)

Section 5-10. The Substance Use Disorder Act is amended by changing Sections 5-10 and 50-35 as follows:

(20 ILCS 301/5-10)

Sec. 5-10. Functions of the Department.

(a) In addition to the powers, duties and functions vested in the Department by this Act, or by other laws of this State, the Department shall carry out the following activities:

(1) Design, coordinate and fund comprehensive community-based and culturally and gender-appropriate services throughout the State. These services must include prevention, early intervention, treatment, and other recovery support services for substance use disorders that are accessible and addresses the needs of at-risk individuals and their families.

(2) Act as the exclusive State agency to accept, receive and expend, pursuant to appropriation, any public or private monies, grants or services, including those received from the federal government or from other State agencies, for the purpose of providing prevention, early intervention, treatment, and other recovery support services for substance use disorders.

(2.5) In partnership with the Department of Healthcare and Family Services, act as one of the principal State agencies for the sole purpose of calculating the maintenance of effort requirement under Section 1930 of Title XIX, Part B, Subpart II of the Public Health Service Act (42 U.S.C. 300x-30) and the Interim Final Rule (45 CFR 96.134).

(3) Coordinate a statewide strategy for the prevention, early intervention, treatment,

and recovery support of substance use disorders. This strategy shall include the development of a comprehensive plan, submitted annually with the application for federal substance use disorder block grant funding, for the provision of an array of such services. The plan shall be based on local community-based needs and upon data including, but not limited to, that which defines the prevalence of and costs associated with substance use disorders. This comprehensive plan shall include identification of problems, needs, priorities, services and other pertinent information, including the needs of minorities and other specific priority populations in the State, and shall describe how the identified problems and needs will be addressed. For purposes of this paragraph, the term "minorities and other specific priority populations" may include, but shall not be limited to, groups such as women, children, intravenous drug users, persons with AIDS or who are HIV infected, veterans, African-Americans, Puerto Ricans, Hispanics, Asian Americans, the elderly, persons in the criminal justice system, persons who are clients of services provided by other State agencies, persons with disabilities and such other specific populations as the Department may from time to time identify. In developing the plan, the Department shall seek input from providers, parent groups, associations and interested citizens.

The plan developed under this Section shall include an explanation of the rationale to be used in ensuring that funding shall be based upon local community needs, including, but not limited to, the incidence and prevalence of, and costs associated with, substance use disorders, as well as upon demonstrated program performance.

The plan developed under this Section shall also contain a report detailing the activities of and progress made through services for the care and treatment of substance use disorders among pregnant women and mothers and their children established under subsection (j) of Section 35-5.

As applicable, the plan developed under this Section shall also include information about funding by other State agencies for prevention, early intervention, treatment, and other recovery support services.

(4) Lead, foster and develop cooperation, coordination and agreements among federal and State governmental agencies and local providers that provide assistance, services, funding or other functions, peripheral or direct, in the prevention, early intervention, treatment, and recovery support for substance use disorders. This shall include, but shall not be limited to, the following:

(A) Cooperate with and assist other State agencies, as applicable, in establishing and conducting substance use disorder services among the populations they respectively serve.

(B) Cooperate with and assist the Illinois Department of Public Health in the establishment, funding and support of programs and services for the promotion of maternal and child health and the prevention and treatment of infectious diseases, including but not limited to HIV infection, especially with respect to those persons who are high risk due to intravenous injection of illegal drugs, or who may have been sexual partners of these individuals, or who may have impaired immune systems as a result of a substance use disorder.

(C) Supply to the Department of Public Health and prenatal care providers a list of all providers who are licensed to provide substance use disorder treatment for pregnant women in this State.

(D) Assist in the placement of child abuse or neglect perpetrators (identified by the Illinois Department of Children and Family Services (DCFS)) who have been determined to be in need of substance use disorder treatment pursuant to Section 8.2 of the Abused and Neglected Child Reporting Act.

(E) Cooperate with and assist DCFS in carrying out its mandates to:

(i) identify substance use disorders among its clients and their families; and

(ii) develop services to deal with such disorders.

These services may include, but shall not be limited to, programs to prevent or treat substance use disorders with DCFS clients and their families, identifying child care needs within such treatment, and assistance with other issues as required.

(F) Cooperate with and assist the Illinois Criminal Justice Information Authority with respect to statistical and other information concerning the incidence and prevalence of substance use disorders.

(G) Cooperate with and assist the State Superintendent of Education, boards of education, schools, police departments, the Illinois Department of State Police, courts and other public and private agencies and individuals in establishing prevention programs statewide and preparing curriculum materials for use at all levels of education.

(H) Cooperate with and assist the Illinois Department of Healthcare and Family

Services in the development and provision of services offered to recipients of public assistance for the treatment and prevention of substance use disorders.

(l) (Blank).

(5) From monies appropriated to the Department from the Drunk and Drugged Driving Prevention Fund, reimburse DUI evaluation and risk education programs licensed by the Department for providing indigent persons with free or reduced-cost evaluation and risk education services relating to a charge of driving under the influence of alcohol or other drugs.

(6) Promulgate regulations to identify and disseminate best practice guidelines that can be utilized by publicly and privately funded programs as well as for levels of payment to government funded programs that provide prevention, early intervention, treatment, and other recovery support services for substance use disorders and those services referenced in Sections 15-10 and 40-5.

(7) In consultation with providers and related trade associations, specify a uniform methodology for use by funded providers and the Department for billing and collection and dissemination of statistical information regarding services related to substance use disorders.

(8) Receive data and assistance from federal, State and local governmental agencies, and obtain copies of identification and arrest data from all federal, State and local law enforcement agencies for use in carrying out the purposes and functions of the Department.

(9) Designate and license providers to conduct screening, assessment, referral and tracking of clients identified by the criminal justice system as having indications of substance use disorders and being eligible to make an election for treatment under Section 40-5 of this Act, and assist in the placement of individuals who are under court order to participate in treatment.

(10) Identify and disseminate evidence-based best practice guidelines as maintained in administrative rule that can be utilized to determine a substance use disorder diagnosis.

(11) (Blank).

(12) Make grants with funds appropriated from the Drug Treatment Fund in accordance with Section 7 of the Controlled Substance and Cannabis Nuisance Act, or in accordance with Section 80 of the Methamphetamine Control and Community Protection Act, or in accordance with subsections (h) and (i) of Section 411.2 of the Illinois Controlled Substances Act, or in accordance with Section 6z-107 of the State Finance Act.

(13) Encourage all health and disability insurance programs to include substance use disorder treatment as a covered service and to use evidence-based best practice criteria as maintained in administrative rule and as required in Public Act 99-0480 in determining the necessity for such services and continued stay.

(14) Award grants and enter into fixed-rate and fee-for-service arrangements with any other department, authority or commission of this State, or any other state or the federal government or with any public or private agency, including the disbursement of funds and furnishing of staff, to effectuate the purposes of this Act.

(15) Conduct a public information campaign to inform the State's Hispanic residents regarding the prevention and treatment of substance use disorders.

(b) In addition to the powers, duties and functions vested in it by this Act, or by other laws of this State, the Department may undertake, but shall not be limited to, the following activities:

(1) Require all organizations licensed or funded by the Department to include an education component to inform participants regarding the causes and means of transmission and methods of reducing the risk of acquiring or transmitting HIV infection and other infectious diseases, and to include funding for such education component in its support of the program.

(2) Review all State agency applications for federal funds that include provisions relating to the prevention, early intervention and treatment of substance use disorders in order to ensure consistency.

(3) Prepare, publish, evaluate, disseminate and serve as a central repository for educational materials dealing with the nature and effects of substance use disorders. Such materials may deal with the educational needs of the citizens of Illinois, and may include at least pamphlets that describe the causes and effects of fetal alcohol spectrum disorders.

(4) Develop and coordinate, with regional and local agencies, education and training programs for persons engaged in providing services for persons with substance use disorders, which programs may include specific HIV education and training for program personnel.

(5) Cooperate with and assist in the development of education, prevention, early intervention, and treatment programs for employees of State and local governments and businesses in the State.

(6) Utilize the support and assistance of interested persons in the community, including

recovering persons, to assist individuals and communities in understanding the dynamics of substance use disorders, and to encourage individuals with substance use disorders to voluntarily undergo treatment.

(7) Promote, conduct, assist or sponsor basic clinical, epidemiological and statistical research into substance use disorders and research into the prevention of those problems either solely or in conjunction with any public or private agency.

(8) Cooperate with public and private agencies, organizations and individuals in the development of programs, and to provide technical assistance and consultation services for this purpose.

(9) (Blank).

(10) (Blank).

(11) Fund, promote, or assist entities dealing with substance use disorders.

(12) With monies appropriated from the Group Home Loan Revolving Fund, make loans, directly or through subcontract, to assist in underwriting the costs of housing in which individuals recovering from substance use disorders may reside, pursuant to Section 50-40 of this Act.

(13) Promulgate such regulations as may be necessary to carry out the purposes and enforce the provisions of this Act.

(14) Provide funding to help parents be effective in preventing substance use disorders by building an awareness of the family's role in preventing substance use disorders through adjusting expectations, developing new skills, and setting positive family goals. The programs shall include, but not be limited to, the following subjects: healthy family communication; establishing rules and limits; how to reduce family conflict; how to build self-esteem, competency, and responsibility in children; how to improve motivation and achievement; effective discipline; problem solving techniques; and how to talk about drugs and alcohol. The programs shall be open to all parents.

(Source: P.A. 100-494, eff. 6-1-18; 100-759, eff. 1-1-19.)

(20 ILCS 301/50-35)

Sec. 50-35. Drug Treatment Fund.

(a) There is hereby established the Drug Treatment Fund, to be held as a separate fund in the State treasury. There shall be deposited into this fund such amounts as may be received under subsections (h) and (i) of Section 411.2 of the Illinois Controlled Substances Act, under Section 80 of the Methamphetamine Control and Community Protection Act, and under Section 7 of the Controlled Substance and Cannabis Nuisance Act, or under Section 6z-107 of the State Finance Act.

(b) Monies in this fund shall be appropriated to the Department for the purposes and activities set forth in subsections (h) and (i) of Section 411.2 of the Illinois Controlled Substances Act, or in Section 7 of the Controlled Substance and Cannabis Nuisance Act, or in Section 6z-107 of the State Finance Act.

(Source: P.A. 94-556, eff. 9-11-05.)

Section 5-15. The Children and Family Services Act is amended by adding Section 5f as follows:

(20 ILCS 505/5f new)

Sec. 5f. Reimbursement rates. On July 1, 2019, the Department of Children and Family Services shall increase rates in effect on June 30, 2019 for providers by 5%. The contractual and grant services eligible for increased reimbursement rates under this Section include the following:

(1) Residential services, including child care institutions, group home care, independent living services, or transitional living services.

(2) Specialized, adolescent, treatment, or other non-traditional or Home-of-Relative foster care.

(3) Traditional or Home-of-Relative foster care.

(4) Intact family services.

(5) Teen parenting services.

(20 ILCS 661/Act rep.)

Section 5-20. The High Speed Internet Services and Information Technology Act is repealed.

Section 5-25. The Illinois Promotion Act is amended by changing Sections 3 and 8b as follows:

(20 ILCS 665/3) (from Ch. 127, par. 200-23)

Sec. 3. Definitions. The following words and terms, whenever used or referred to in this Act, shall have the following meanings, except where the context may otherwise require:

(a) "Department" means the Department of Commerce and Economic Opportunity of the State of Illinois.

(b) "Local promotion group" means any non-profit corporation, organization, association, agency or committee thereof formed for the primary purpose of publicizing, promoting, advertising or otherwise encouraging the development of tourism in any municipality, county, or region of Illinois.

(c) "Promotional activities" means preparing, planning and conducting campaigns of information, advertising and publicity through such media as newspapers, radio, television, magazines, trade journals, moving and still photography, posters, outdoor signboards and personal contact within and without the State of Illinois; dissemination of information, advertising, publicity, photographs and other literature and material designed to carry out the purpose of this Act; and participation in and attendance at meetings and conventions concerned primarily with tourism, including travel to and from such meetings.

(d) "Municipality" means "municipality" as defined in Section 1-1-2 of the Illinois Municipal Code, as heretofore and hereafter amended.

(e) "Tourism" means travel 50 miles or more one-way or an overnight trip outside of a person's normal routine.

(f) "Municipal amateur sports facility" means a sports facility that: (1) is owned by a unit of local government; (2) has contiguous indoor sports competition space; (3) is designed to principally accommodate and host amateur competitions for youths, adults, or both; and (4) is not used for professional sporting events where participants are compensated for their participation.

(g) "Municipal convention center" means a convention center or civic center owned by a unit of local government or operated by a convention center authority, or a municipal convention hall as defined in paragraph (1) of Section 11-65-1 of the Illinois Municipal Code, with contiguous exhibition space ranging between 30,000 and 125,000 square feet.

(h) "Convention center authority" means an Authority, as defined by the Civic Center Code, that operates a municipal convention center with contiguous exhibition space ranging between 30,000 and 125,000 square feet.

(i) "Incentive" means: (1) a financial an incentive provided by a unit of local government municipal convention center or convention center authority to attract for a convention, meeting, or trade show held at a municipal convention center that, but for the incentive, would not have occurred in the State or been retained in the State; or (2) a financial an incentive provided by a unit of local government for attracting a sporting event held at its a municipal amateur sports facility that, but for the incentive, would not have occurred in the State or been retained in the State ; but (3) only a financial incentive offered or provided to a person or entity in the form of financial benefits or costs which are allowable costs pursuant to the Grant Accountability and Transparency Act.

(Source: P.A. 99-476, eff. 8-27-15.)

(20 ILCS 665/8b)

Sec. 8b. Municipal convention center and sports facility attraction grants.

(a) Until July 1, 2022, the Department is authorized to make grants, subject to appropriation by the General Assembly, from the Tourism Promotion Fund to a unit of local government ~~, municipal convention center, or convention center authority~~ that provides incentives, as defined in subsection (i) of Section 3 of this Act, for the purpose of attracting conventions, meetings, and trade shows to municipal convention centers ~~or and~~ attracting sporting events to municipal amateur sports facilities. Grants awarded under this Section shall be based on the net proceeds received under the Hotel Operators' Occupation Tax Act for the renting, leasing, or letting of hotel rooms in the municipality in which the municipal convention center or municipal amateur sports facility is located for the month in which the convention, meeting, trade show, or sporting event occurs. Grants shall not exceed 80% of the incentive amount provided by the unit of local government ~~, municipal convention center, or convention center authority~~. Further, in no event may the aggregate amount of grants awarded with respect to a single municipal convention center ~~, convention center authority, or municipal amateur sports facility~~ exceed \$200,000 in any calendar year. The Department may, by rule, require any other provisions it deems necessary in order to protect the State's interest in administering this program.

(b) No later than May 15 of each year, through May 15, 2022, the unit of local government ~~, municipal convention center, or convention center authority~~ shall certify to the Department the amounts of funds expended in the previous calendar fiscal year to provide qualified incentives; however, in no event may the certified amount pursuant to this paragraph exceed \$200,000 with respect to ~~for~~ any municipal convention center ~~, convention center authority, or municipal amateur sports facility~~ in any calendar year. The unit of local government ~~, convention center, or convention center authority~~ shall certify (A) the net proceeds received under the Hotel Operators' Occupation Tax Act for the renting, leasing, or letting of hotel rooms in the municipality for the month in which the convention, meeting, or trade show occurs and (B) the average of the net proceeds received under the Hotel Operators' Occupation Tax Act for the renting, leasing, or letting of hotel rooms in the municipality for the same month in the 3 immediately preceding years. The unit of local government ~~, municipal convention center, or convention center authority~~ shall include the incentive amounts as part of its regular audit.

(b-5) Grants awarded to a unit of local government, ~~municipal convention center~~, or convention center authority may be made by the Department of Commerce and Economic Opportunity from appropriations for those purposes for any fiscal year, without regard to the fact that the qualification or obligation may have occurred in a prior fiscal year.

(c) The Department shall submit a report, which must be provided electronically, on the effectiveness of the program established under this Section to the General Assembly no later than January 1, 2022.

(Source: P.A. 99-476, eff. 8-27-15; 100-643, eff. 7-27-18.)

Section 5-30. The Department of Human Services Act is amended by changing Section 1-50 as follows:
(20 ILCS 1305/1-50)

Sec. 1-50. Department of Human Services Community Services Fund.

(a) The Department of Human Services Community Services Fund is created in the State treasury as a special fund.

(b) The Fund is created for the purpose of receiving and disbursing moneys in accordance with this Section. Disbursements from the Fund shall be made, subject to appropriation, for payment of expenses incurred by the Department of Human Services in support of the Department's rebalancing services, mental health services, and substance abuse and prevention services.

(c) The Fund shall consist of the following:

(1) Moneys transferred from another State fund.

(2) All federal moneys received as a result of expenditures that are attributable to moneys deposited in the Fund.

(3) All other moneys received for the Fund from any other source.

(4) Interest earned upon moneys in the Fund.

(Source: P.A. 96-1530, eff. 2-16-11.)

Section 5-35. The State Finance Act is amended by changing Sections 5.857, 5h.5, 6z-27, 6z-32, 6z-51, 6z-70, 6z-100, 8.3, 8g, 8g-1, 13.2, and 25 and by adding Sections 5.891 and 6z-107 as follows:

(30 ILCS 105/5.857)

(Section scheduled to be repealed on July 1, 2019)

Sec. 5.857. The Capital Development Board Revolving Fund. This Section is repealed July 1, 2020 ~~2019~~.

(Source: P.A. 99-78, eff. 7-20-15; 99-523, eff. 6-30-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

(30 ILCS 105/5.891 new)

Sec. 5.891. The Governor's Administrative Fund.

(30 ILCS 105/5h.5)

Sec. 5h.5. Cash flow borrowing and general funds liquidity; Fiscal Years 2018, ~~and 2019~~, 2020, and 2021.

(a) In order to meet cash flow deficits and to maintain liquidity in general funds and the Health Insurance Reserve Fund, on and after July 1, 2017 and through March 1, ~~2019~~, 2021, the State Treasurer and the State Comptroller, in consultation with the Governor's Office of Management and Budget, shall make transfers to general funds and the Health Insurance Reserve Fund, as directed by the State Comptroller, out of special funds of the State, to the extent allowed by federal law.

No such transfer may reduce the cumulative balance of all of the special funds of the State to an amount less than the total debt service payable during the 12 months immediately following the date of the transfer on any bonded indebtedness of the State and any certificates issued under the Short Term Borrowing Act. At no time shall the outstanding total transfers made from the special funds of the State to general funds and the Health Insurance Reserve Fund under this Section exceed \$1,200,000,000; once the amount of \$1,200,000,000 has been transferred from the special funds of the State to general funds and the Health Insurance Reserve Fund, additional transfers may be made from the special funds of the State to general funds and the Health Insurance Reserve Fund under this Section only to the extent that moneys have first been re-transferred from general funds and the Health Insurance Reserve Fund to those special funds of the State. Notwithstanding any other provision of this Section, no such transfer may be made from any special fund that is exclusively collected by or directly appropriated to any other constitutional officer without the written approval of that constitutional officer.

(b) If moneys have been transferred to general funds and the Health Insurance Reserve Fund pursuant to subsection (a) of this Section, ~~Public Act 100-23 this amendatory Act of the 100th General Assembly~~ shall constitute the continuing authority for and direction to the State Treasurer and State Comptroller to reimburse the funds of origin from general funds by transferring to the funds of origin, at such times and in such amounts as directed by the Comptroller when necessary to support appropriated expenditures from

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the funds, an amount equal to that transferred from them plus any interest that would have accrued thereon had the transfer not occurred, except that any moneys transferred pursuant to subsection (a) of this Section shall be repaid to the fund of origin within ~~48~~ 24 months after the date on which they were borrowed. When any of the funds from which moneys have been transferred pursuant to subsection (a) have insufficient cash from which the State Comptroller may make expenditures properly supported by appropriations from the fund, then the State Treasurer and State Comptroller shall transfer from general funds to the fund only such amount as is immediately necessary to satisfy outstanding expenditure obligations on a timely basis.

(c) On the first day of each quarterly period in each fiscal year, until such time as a report indicates that all moneys borrowed and interest pursuant to this Section have been repaid, the Comptroller shall provide to the President and the Minority Leader of the Senate, the Speaker and the Minority Leader of the House of Representatives, and the Commission on Government Forecasting and Accountability a report on all transfers made pursuant to this Section in the prior quarterly period. The report must be provided in electronic format. The report must include all of the following:

- (1) the date each transfer was made;
- (2) the amount of each transfer;
- (3) in the case of a transfer from general funds to a fund of origin pursuant to subsection (b) of this Section, the amount of interest being paid to the fund of origin; and
- (4) the end of day balance of the fund of origin, the general funds, and the Health Insurance Reserve Fund on the date the transfer was made.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

(30 ILCS 105/6z-27)

Sec. 6z-27. All moneys in the Audit Expense Fund shall be transferred, appropriated and used only for the purposes authorized by, and subject to the limitations and conditions prescribed by, the State Auditing Act.

Within 30 days after the effective date of this amendatory Act of the ~~101st~~ ~~100th~~ General Assembly, the State Comptroller shall order transferred and the State Treasurer shall transfer from the following funds moneys in the specified amounts for deposit into the Audit Expense Fund:

Agricultural Premium Fund.....	152,228	18,792
Assisted Living and Shared Housing Regulatory Fund.....	2,549	
Anna Veterans Home Fund.....	8,050	
Appraisal Administration Fund.....	4,373	
Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund.....	14,421	
Attorney General Whistleblower Reward and Protection Fund.....	9,220	
Bank and Trust Company Fund.....	93,160	
Budget Stabilization Fund.....	131,491	
Care Provider Fund for Persons with a Developmental Disability.....	14,212	6,003
CDLIS/AAMV Anet/NMVTIS Trust Fund.....	5,031	2,495
Cemetery Oversight Licensing and Disciplinary Fund.....	5,583	
Chicago State University Education Improvement Fund.....	4,036	4,233
Child Support Administrative Fund.....	5,843	2,299
Clean Air Act Permit Fund.....	980	
Commitment to Human Services Fund.....	122,475	
Common School Fund.....	238,911	433,663
Community Association Manager Licensing and Disciplinary Fund.....	877	
Community Mental Health Medicaid Trust Fund.....	23,615	9,897
Corporate Franchise Tax Refund Fund.....	3,294	
Credit Union Fund.....	22,441	
Cycle Rider Safety Training Fund.....	1,084	
DCFS Children's Services Fund.....	241,473	
Death Certificate Surcharge Fund.....	4,790	
Death Penalty Abolition Fund.....	6,142	
Department of Business Services Special Operations Fund.....	11,370	5,493
Department of Corrections Reimbursement		

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and Education Fund.....	18,389
Department of Human Services Community Services Fund.....	11,733 5,399
Design Professionals Administration and Investigation Fund.....	5,378
The Downstate Public Transportation Fund.....	12,268 32,074
Downstate Transit Improvement Fund.....	1,251
Dram Shop Fund.....	514
Driver Services Administration Fund.....	1,272 897
Drivers Education Fund.....	1,417
Drug Rebate Fund.....	41,241 21,941
Drug Treatment Fund.....	1,530 527
Drunk and Drugged Driving Prevention Fund.....	790
The Education Assistance Fund.....	1,332,369 4,230,281
Electronic Health Record Incentive Fund.....	2,575 657
Emergency Public Health Fund.....	9,383
EMS Assistance Fund.....	1,925
Energy Efficiency Portfolio Standards Fund.....	126,046
Environmental Protection Permit and Inspection Fund.....	733
Estate Tax Refund Fund.....	1,877
Facilities Management Revolving Fund.....	19,625 15,360
Facility Licensing Fund.....	2,411
Fair and Exposition Fund.....	4,698 911
Federal Financing Cost Reimbursement Fund.....	649
Federal High Speed Rail Trust Fund.....	14,092 59,579
Federal Workforce Training Fund.....	152,617
Feed Control Fund.....	8,112 1,584
Fertilizer Control Fund.....	6,898 1,369
The Fire Prevention Fund.....	3,706 3,183
Food and Drug Safety Fund.....	4,068
Fund for the Advancement of Education.....	14,680 130,528
General Professions Dedicated Fund.....	3,102 19,678
The General Revenue Fund.....	17,653,153
Grade Crossing Protection Fund.....	1,483 2,379
Grant Accountability and Transparency Fund.....	594
Hazardous Waste Fund.....	633
Health and Human Services Medicaid Trust Fund.....	9,399 3,852
Health Facility Plan Review Fund.....	3,521
Healthcare Provider Relief Fund.....	230,920 71,263
Healthy Smiles Fund.....	892
Home Care Services Agency Licensure Fund.....	3,582
Horse Racing Fund.....	215,160
Hospital Licensure Fund.....	1,946
Hospital Provider Fund.....	115,090 44,230
ICJIA Violence Prevention Fund.....	2,023
Illinois Affordable Housing Trust Fund.....	7,306 5,478
Illinois Capital Revolving Loan Fund.....	1,067
Illinois Charity Bureau Fund.....	2,236
Illinois Clean Water Fund.....	1,177
Illinois Health Facilities Planning Fund.....	4,047
Illinois School Asbestos Abatement Fund.....	1,150
Illinois Standardbred Breeders Fund.....	12,452
Illinois Gaming Law Enforcement Fund.....	1,395
Illinois State Dental Disciplinary Fund.....	5,128
Illinois State Fair Fund.....	29,588 7,297
Illinois State Medical Disciplinary Fund.....	21,473
Illinois State Pharmacy Disciplinary Fund.....	8,839
Illinois Thoroughbred Breeders Fund.....	19,485
Illinois Veterans Assistance Fund.....	3,863

Illinois Veterans' Rehabilitation Fund.....	1,187	634
Illinois Workers' Compensation Commission Operations Fund.....	206,564	4,758
IMSA Income Fund.....	7,646	6,823
Income Tax Refund Fund.....	55,081	176,034
Insurance Financial Regulation Fund.....	110,878	
Insurance Premium Tax Refund Fund.....	16,534	
Insurance Producer Administration Fund.....	107,833	
Intermodal Facilities Promotion Fund.....	1,011	
International Tourism Fund.....	6,566	
LaSalle Veterans Home Fund.....	36,259	
LEADS Maintenance Fund.....	1,050	
<u>Lead Poisoning Screening, Prevention, and Abatement Fund.....</u>	7,730	
Live and Learn Fund.....	21,306	10,805
Lobbyist Registration Administration Fund.....	1,088	521
The Local Government Distributive Fund.....	31,539	113,119
Local Tourism Fund.....	19,098	
Long-Term Care Monitor/Receiver Fund.....	54,094	
Long-Term Care Provider Fund.....	20,649	6,761
Mandatory Arbitration Fund.....	2,225	
Manteno Veterans Home Fund.....	68,288	
Medical Interagency Program Fund.....	1,948	602
Medical Special Purposes Trust Fund.....	2,073	
Mental Health Fund.....	15,458	3,358
Metabolic Screening and Treatment Fund.....	44,251	
Money Laundering Asset Recovery Fund.....	1,115	
Monitoring Device Driving Permit Administration Fee Fund.....	1,082	797
Motor Carrier Safety Inspection Fund.....	1,289	
The Motor Fuel Tax Fund.....	41,504	101,821
Motor Vehicle License Plate Fund.....	14,732	5,094
<u>Motor Vehicle Theft Prevention and Insurance Verification Trust Fund.....</u>	645	
Nursing Dedicated and Professional Fund.....	3,690	10,673
Open Space Lands Acquisition and Development Fund.....		943
Optometric Licensing and Disciplinary Board Fund.....	1,608	
Partners for Conservation Fund.....	43,490	8,973
The Personal Property Tax Replacement Fund.....	100,416	119,343
Pesticide Control Fund.....	34,045	5,826
Plumbing Licensure and Program Fund.....	4,005	
Professional Services Fund.....	3,806	1,569
Professions Indirect Cost Fund.....	176,535	
Public Pension Regulation Fund.....	9,236	
Public Health Laboratory Services Revolving Fund.....	7,750	
The Public Transportation Fund.....	31,285	91,397
Quincy Veterans Home Fund.....	64,594	
Real Estate License Administration Fund.....	34,822	
Renewable Energy Resources Trust Fund.....	10,947	
Regional Transportation Authority Occupation and Use Tax Replacement Fund.....	898	3,486
Registered Certified Public Accountants' Administration and Disciplinary Fund.....	3,423	
Rental Housing Support Program Fund.....	503	2,388
Residential Finance Regulatory Fund.....	17,742	
The Road Fund.....	215,480	662,332
Roadside Memorial Fund.....	1,170	
Savings Bank Regulatory Fund.....	2,270	

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School Infrastructure Fund.....	15,933	14,441
Secretary of State DUI Administration Fund.....	1,980	1,107
Secretary of State Identification Security and Theft Prevention Fund.....	12,530	6,154
Secretary of State Special License Plate Fund.....	3,274	2,210
Secretary of State Special Services Fund.....	18,638	10,306
Securities Audit and Enforcement Fund.....	7,900	3,972
Solid Waste Management Fund.....		959
Special Education Medicaid Matching Fund.....	7,016	2,346
State and Local Sales Tax Reform Fund.....	2,022	6,592
State Asset Forfeiture Fund.....		1,239
State Construction Account Fund.....	33,539	106,236
State Crime Laboratory Fund.....		4,020
State Gaming Fund.....	83,992	200,367
The State Garage Revolving Fund.....	5,770	5,521
The State Lottery Fund.....	487,256	215,561
State Offender DNA Identification System Fund.....		1,270
State Pensions Fund.....		500,000
State Police DUI Fund.....		1,050
State Police Firearm Services Fund.....		4,116
State Police Services Fund.....		11,485
State Police Vehicle Fund.....		6,004
State Police Whistleblower Reward and Protection Fund.....		3,519
State Treasurer's Bank Services Trust Fund.....		625
Supplemental Low Income Energy Assistance Fund.....		74,279
Supreme Court Special Purposes Fund.....		3,879
<u>Tattoo and Body Piercing Establishment Registration Fund.....</u>		706
Tax Compliance and Administration Fund.....	1,490	1,479
Technology Management Revolving Fund.....		204,090
Tobacco Settlement Recovery Fund.....	34,105	1,855
Tourism Promotion Fund.....		40,541
Trauma Center Fund.....		10,783
<u>Underground Storage Tank Fund.....</u>		2,737
University of Illinois Hospital Services Fund.....	4,602	1,924
The Vehicle Inspection Fund.....	4,243	1,469
Violent Crime Victims Assistance Fund.....		13,911
Weights and Measures Fund.....	27,517	5,660
<u>The Working Capital Revolving Fund.....</u>		18,184

Notwithstanding any provision of the law to the contrary, the General Assembly hereby authorizes the use of such funds for the purposes set forth in this Section.

These provisions do not apply to funds classified by the Comptroller as federal trust funds or State trust funds. The Audit Expense Fund may receive transfers from those trust funds only as directed herein, except where prohibited by the terms of the trust fund agreement. The Auditor General shall notify the trustees of those funds of the estimated cost of the audit to be incurred under the Illinois State Auditing Act for the fund. The trustees of those funds shall direct the State Comptroller and Treasurer to transfer the estimated amount to the Audit Expense Fund.

The Auditor General may bill entities that are not subject to the above transfer provisions, including private entities, related organizations and entities whose funds are locally-held, for the cost of audits, studies, and investigations incurred on their behalf. Any revenues received under this provision shall be deposited into the Audit Expense Fund.

In the event that moneys on deposit in any fund are unavailable, by reason of deficiency or any other reason preventing their lawful transfer, the State Comptroller shall order transferred and the State Treasurer shall transfer the amount deficient or otherwise unavailable from the General Revenue Fund for deposit into the Audit Expense Fund.

On or before December 1, 1992, and each December 1 thereafter, the Auditor General shall notify the Governor's Office of Management and Budget (formerly Bureau of the Budget) of the amount estimated to be necessary to pay for audits, studies, and investigations in accordance with the Illinois State Auditing

Act during the next succeeding fiscal year for each State fund for which a transfer or reimbursement is anticipated.

Beginning with fiscal year 1994 and during each fiscal year thereafter, the Auditor General may direct the State Comptroller and Treasurer to transfer moneys from funds authorized by the General Assembly for that fund. In the event funds, including federal and State trust funds but excluding the General Revenue Fund, are transferred, during fiscal year 1994 and during each fiscal year thereafter, in excess of the amount to pay actual costs attributable to audits, studies, and investigations as permitted or required by the Illinois State Auditing Act or specific action of the General Assembly, the Auditor General shall, on September 30, or as soon thereafter as is practicable, direct the State Comptroller and Treasurer to transfer the excess amount back to the fund from which it was originally transferred.

(Source: P.A. 99-38, eff. 7-14-15; 99-523, eff. 6-30-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

(30 ILCS 105/6z-32)

Sec. 6z-32. Partners for Planning and Conservation.

(a) The Partners for Conservation Fund (formerly known as the Conservation 2000 Fund) and the Partners for Conservation Projects Fund (formerly known as the Conservation 2000 Projects Fund) are created as special funds in the State Treasury. These funds shall be used to establish a comprehensive program to protect Illinois' natural resources through cooperative partnerships between State government and public and private landowners. Moneys in these Funds may be used, subject to appropriation, by the Department of Natural Resources, Environmental Protection Agency, and the Department of Agriculture for purposes relating to natural resource protection, planning, recreation, tourism, and compatible agricultural and economic development activities. Without limiting these general purposes, moneys in these Funds may be used, subject to appropriation, for the following specific purposes:

(1) To foster sustainable agriculture practices and control soil erosion and sedimentation, including grants to Soil and Water Conservation Districts for conservation practice cost-share grants and for personnel, educational, and administrative expenses.

(2) To establish and protect a system of ecosystems in public and private ownership through conservation easements, incentives to public and private landowners, natural resource restoration and preservation, water quality protection and improvement, land use and watershed planning, technical assistance and grants, and land acquisition provided these mechanisms are all voluntary on the part of the landowner and do not involve the use of eminent domain.

(3) To develop a systematic and long-term program to effectively measure and monitor natural resources and ecological conditions through investments in technology and involvement of scientific experts.

(4) To initiate strategies to enhance, use, and maintain Illinois' inland lakes through education, technical assistance, research, and financial incentives.

(5) To partner with private landowners and with units of State, federal, and local government and with not-for-profit organizations in order to integrate State and federal programs with Illinois' natural resource protection and restoration efforts and to meet requirements to obtain federal and other funds for conservation or protection of natural resources.

(b) The State Comptroller and State Treasurer shall automatically transfer on the last day of each month, beginning on September 30, 1995 and ending on June 30, 2021, from the General Revenue Fund to the Partners for Conservation Fund, an amount equal to 1/10 of the amount set forth below in fiscal year 1996 and an amount equal to 1/12 of the amount set forth below in each of the other specified fiscal years:

Fiscal Year	Amount
1996	\$ 3,500,000
1997	\$ 9,000,000
1998	\$10,000,000
1999	\$11,000,000
2000	\$12,500,000
2001 through 2004	\$14,000,000
2005	\$7,000,000
2006	\$11,000,000
2007	\$0
2008 through 2011	\$14,000,000
2012	\$12,200,000
2013 through 2017	\$14,000,000
2018	\$1,500,000
2019 through 2021	\$14,000,000
<u>2020</u>	<u>\$7,500,000</u>

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2021

\$14,000,000

(c) Notwithstanding any other provision of law to the contrary and in addition to any other transfers that may be provided for by law, on the last day of each month beginning on July 31, 2006 and ending on June 30, 2007, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer \$1,000,000 from the Open Space Lands Acquisition and Development Fund to the Partners for Conservation Fund (formerly known as the Conservation 2000 Fund).

(d) There shall be deposited into the Partners for Conservation Projects Fund such bond proceeds and other moneys as may, from time to time, be provided by law.

(Source: P.A. 100-23, eff. 7-6-17.)

(30 ILCS 105/6z-51)

Sec. 6z-51. Budget Stabilization Fund.

(a) The Budget Stabilization Fund, a special fund in the State Treasury, shall consist of moneys appropriated or transferred to that Fund, as provided in Section 6z-43 and as otherwise provided by law. All earnings on Budget Stabilization Fund investments shall be deposited into that Fund.

(b) The State Comptroller may direct the State Treasurer to transfer moneys from the Budget Stabilization Fund to the General Revenue Fund in order to meet cash flow deficits resulting from timing variations between disbursements and the receipt of funds within a fiscal year. Any moneys so borrowed in any fiscal year other than Fiscal Year 2011 shall be repaid by June 30 of the fiscal year in which they were borrowed. Any moneys so borrowed in Fiscal Year 2011 shall be repaid no later than July 15, 2011.

(c) During Fiscal Year 2017 only, amounts may be expended from the Budget Stabilization Fund only pursuant to specific authorization by appropriation. Any moneys expended pursuant to appropriation shall not be subject to repayment.

(d) For Fiscal Year 2020, and beyond, any transfers into the Fund pursuant to the Cannabis Regulation and Tax Act may be transferred to the General Revenue Fund in order for the Comptroller to address outstanding vouchers and shall not be subject to repayment back into the Budget Stabilization Fund.

(Source: P.A. 99-523, eff. 6-30-16.)

(30 ILCS 105/6z-70)

Sec. 6z-70. The Secretary of State Identification Security and Theft Prevention Fund.

(a) The Secretary of State Identification Security and Theft Prevention Fund is created as a special fund in the State treasury. The Fund shall consist of any fund transfers, grants, fees, or moneys from other sources received for the purpose of funding identification security and theft prevention measures.

(b) All moneys in the Secretary of State Identification Security and Theft Prevention Fund shall be used, subject to appropriation, for any costs related to implementing identification security and theft prevention measures.

(c) (Blank).

(d) (Blank).

(e) (Blank).

(f) (Blank).

(g) (Blank).

(h) (Blank).

(i) (Blank).

~~(j) (Blank). Notwithstanding any other provision of State law to the contrary, on or after July 1, 2017, and until June 30, 2018, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Secretary of State, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Secretary of State Identification Security and Theft Prevention Fund from the designated funds not exceeding the following totals:~~

Registered Limited Liability Partnership Fund.....	\$287,000
Securities Investors Education Fund.....	\$1,500,000
Department of Business Services Special Operations Fund.....	\$3,000,000
Securities Audit and Enforcement Fund.....	\$3,500,000
Corporate Franchise Tax Refund Fund.....	\$3,000,000

(k) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2018, and until June 30, 2019, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Secretary of State, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Secretary of State Identification Security and Theft Prevention Fund from the designated funds not exceeding the following totals:

Division of Corporations Registered Limited Liability Partnership Fund.....	\$287,000
Securities Investors Education Fund.....	\$1,500,000

[June 2, 2019]

Department of Business Services Special

Operations Fund.....\$3,000,000

Securities Audit and Enforcement Fund.....\$3,500,000

(1) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2019, and until June 30, 2020, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Secretary of State, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Secretary of State Identification Security and Theft Prevention Fund from the designated funds not exceeding the following totals:

Division of Corporations Registered Limited

Liability Partnership Fund.....\$287,000

Securities Investors Education Fund.....\$1,500,000

Department of Business Services

Special Operations Fund.....\$3,000,000

Securities Audit and Enforcement Fund.....\$3,500,000

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

(30 ILCS 105/6z-100)

(Section scheduled to be repealed on July 1, 2019)

Sec. 6z-100. Capital Development Board Revolving Fund; payments into and use. All monies received by the Capital Development Board for publications or copies issued by the Board, and all monies received for contract administration fees, charges, or reimbursements owing to the Board shall be deposited into a special fund known as the Capital Development Board Revolving Fund, which is hereby created in the State treasury. The monies in this Fund shall be used by the Capital Development Board, as appropriated, for expenditures for personal services, retirement, social security, contractual services, legal services, travel, commodities, printing, equipment, electronic data processing, or telecommunications. Unexpended moneys in the Fund shall not be transferred or allocated by the Comptroller or Treasurer to any other fund, nor shall the Governor authorize the transfer or allocation of those moneys to any other fund. This Section is repealed July 1, ~~2020~~ 2019.

(Source: P.A. 99-523, eff. 6-30-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

(30 ILCS 105/6z-107 new)

Sec. 6z-107. Governor's Administrative Fund. The Governor's Administrative Fund is established as a special fund in the State Treasury. The Fund may accept moneys from any public source in the form of grants, deposits, and transfers, and shall be used for purposes designated by the source of the moneys and, if no specific purposes are designated, then for the general administrative and operational costs of the Governor's Office.

(30 ILCS 105/8.3) (from Ch. 127, par. 144.3)

Sec. 8.3. Money in the Road Fund shall, if and when the State of Illinois incurs any bonded indebtedness for the construction of permanent highways, be set aside and used for the purpose of paying and discharging annually the principal and interest on that bonded indebtedness then due and payable, and for no other purpose. The surplus, if any, in the Road Fund after the payment of principal and interest on that bonded indebtedness then annually due shall be used as follows:

first -- to pay the cost of administration of Chapters 2 through 10 of the Illinois

Vehicle Code, except the cost of administration of Articles I and II of Chapter 3 of that Code; and

secondly -- for expenses of the Department of Transportation for construction,

reconstruction, improvement, repair, maintenance, operation, and administration of highways in accordance with the provisions of laws relating thereto, or for any purpose related or incident to and connected therewith, including the separation of grades of those highways with railroads and with highways and including the payment of awards made by the Illinois Workers' Compensation Commission under the terms of the Workers' Compensation Act or Workers' Occupational Diseases Act for injury or death of an employee of the Division of Highways in the Department of Transportation; or for the acquisition of land and the erection of buildings for highway purposes, including the acquisition of highway right-of-way or for investigations to determine the reasonably anticipated future highway needs; or for making of surveys, plans, specifications and estimates for and in the construction and maintenance of flight strips and of highways necessary to provide access to military and naval reservations, to defense industries and defense-industry sites, and to the sources of raw materials and for replacing existing highways and highway connections shut off from general public use at military and naval reservations and defense-industry sites, or for the purchase of right-of-way, except that the State shall be reimbursed in full for any expense incurred in building the flight strips; or for the operating and maintaining of highway garages; or for patrolling and policing the public highways and conserving the peace; or for the operating expenses of the Department relating to the administration of public

transportation programs; or, during fiscal year 2012 only, for the purposes of a grant not to exceed \$8,500,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; or, during fiscal year 2013 only, for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; or, during fiscal year 2014 only, for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; or, during fiscal year 2015 only, for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; or, during fiscal year 2016 only, for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; or, during fiscal year 2017 only, for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; or, during fiscal year 2018 only, for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; or, during fiscal year 2019 only, for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; or, during fiscal year 2020 only, for the purposes of a grant not to exceed \$8,394,800 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; or for any of those purposes or any other purpose that may be provided by law.

Appropriations for any of those purposes are payable from the Road Fund. Appropriations may also be made from the Road Fund for the administrative expenses of any State agency that are related to motor vehicles or arise from the use of motor vehicles.

Beginning with fiscal year 1980 and thereafter, no Road Fund monies shall be appropriated to the following Departments or agencies of State government for administration, grants, or operations; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible for federal reimbursement:

1. Department of Public Health;

2. Department of Transportation, only with respect to subsidies for one-half fare Student Transportation and Reduced Fare for Elderly, ~~except during fiscal year 2012 only when no more than \$40,000,000 may be expended and except during fiscal year 2013 only when no more than \$17,570,300 may be expended and except during fiscal year 2014 only when no more than \$17,570,000 may be expended and except during fiscal year 2015 only when no more than \$17,570,000 may be expended and except during fiscal year 2016 only when no more than \$17,570,000 may be expended and except during fiscal year 2017 only when no more than \$17,570,000 may be expended and except during fiscal year 2018 only when no more than \$17,570,000 may be expended and except during fiscal year 2019 only when no more than \$17,570,000 may be expended and except fiscal year 2020 only when no more than \$17,570,000 may be expended;~~

3. Department of Central Management Services, except for expenditures incurred for group insurance premiums of appropriate personnel;

4. Judicial Systems and Agencies.

Beginning with fiscal year 1981 and thereafter, no Road Fund monies shall be appropriated to the following Departments or agencies of State government for administration, grants, or operations; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible for federal reimbursement:

1. Department of State Police, except for expenditures with respect to the Division of Operations;

2. Department of Transportation, only with respect to Intercity Rail Subsidies, ~~except during fiscal year 2012 only when no more than \$40,000,000 may be expended and except during fiscal year 2013 only when no more than \$26,000,000 may be expended and except during fiscal year 2014 only when no more than \$38,000,000 may be expended and except during fiscal year 2015 only when no more than \$42,000,000 may be expended and except during fiscal year 2016 only when no more than \$38,300,000 may be expended and except during fiscal year 2017 only when no more than \$50,000,000 may be expended and except during fiscal year 2018 only when no more than \$52,000,000 may be expended and except~~

during fiscal year 2019 only when no more than \$52,000,000 may be expended and except fiscal year 2020 only when no more than \$50,000,000 may be expended, and Rail Freight Services.

Beginning with fiscal year 1982 and thereafter, no Road Fund monies shall be appropriated to the following Departments or agencies of State government for administration, grants, or operations; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible

for federal reimbursement: Department of Central Management Services, except for awards made by the Illinois Workers' Compensation Commission under the terms of the Workers' Compensation Act or Workers' Occupational Diseases Act for injury or death of an employee of the Division of Highways in the Department of Transportation.

Beginning with fiscal year 1984 and thereafter, no Road Fund monies shall be appropriated to the following Departments or agencies of State government for administration, grants, or operations; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible for federal reimbursement:

1. Department of State Police, except not more than 40% of the funds appropriated for the Division of Operations;
2. State Officers.

Beginning with fiscal year 1984 and thereafter, no Road Fund monies shall be appropriated to any Department or agency of State government for administration, grants, or operations except as provided hereafter; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible for federal reimbursement. It shall not be lawful to circumvent the above appropriation limitations by governmental reorganization or other methods. Appropriations shall be made from the Road Fund only in accordance with the provisions of this Section.

Money in the Road Fund shall, if and when the State of Illinois incurs any bonded indebtedness for the construction of permanent highways, be set aside and used for the purpose of paying and discharging during each fiscal year the principal and interest on that bonded indebtedness as it becomes due and payable as provided in the Transportation Bond Act, and for no other purpose. The surplus, if any, in the Road Fund after the payment of principal and interest on that bonded indebtedness then annually due shall be used as follows:

first -- to pay the cost of administration of Chapters 2 through 10 of the Illinois Vehicle Code; and

secondly -- no Road Fund monies derived from fees, excises, or license taxes relating to registration, operation and use of vehicles on public highways or to fuels used for the propulsion of those vehicles, shall be appropriated or expended other than for costs of administering the laws imposing those fees, excises, and license taxes, statutory refunds and adjustments allowed thereunder, administrative costs of the Department of Transportation, including, but not limited to, the operating expenses of the Department relating to the administration of public transportation programs, payment of debts and liabilities incurred in construction and reconstruction of public highways and bridges, acquisition of rights-of-way for and the cost of construction, reconstruction, maintenance, repair, and operation of public highways and bridges under the direction and supervision of the State, political subdivision, or municipality collecting those monies, ~~or during fiscal year 2012 only for the purposes of a grant not to exceed \$8,500,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses, or during fiscal year 2013 only for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses, or during fiscal year 2014 only for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses, or during fiscal year 2015 only for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses, or during fiscal year 2016 only for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses, or during fiscal year 2017 only for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses, or during fiscal year 2018 only for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses, or during fiscal year 2019 only for the purposes of a grant not to exceed \$3,825,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses, or during fiscal year 2020 only for the purposes of a grant not to exceed \$8,394,800 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses,~~ and the costs for patrolling and policing the public highways (by State, political subdivision, or municipality collecting that money) for enforcement of traffic laws. The separation of grades of such highways with railroads and costs associated with protection of at-grade highway and railroad crossing shall also be permissible.

Appropriations for any of such purposes are payable from the Road Fund or the Grade Crossing Protection Fund as provided in Section 8 of the Motor Fuel Tax Law.

Except as provided in this paragraph, beginning with fiscal year 1991 and thereafter, no Road Fund monies shall be appropriated to the Department of State Police for the purposes of this Section in excess

of its total fiscal year 1990 Road Fund appropriations for those purposes unless otherwise provided in Section 5g of this Act. For fiscal years 2003, 2004, 2005, 2006, and 2007 only, no Road Fund monies shall be appropriated to the Department of State Police for the purposes of this Section in excess of \$97,310,000. For fiscal year 2008 only, no Road Fund monies shall be appropriated to the Department of State Police for the purposes of this Section in excess of \$106,100,000. For fiscal year 2009 only, no Road Fund monies shall be appropriated to the Department of State Police for the purposes of this Section in excess of \$114,700,000. Beginning in fiscal year 2010, no road fund moneys shall be appropriated to the Department of State Police. It shall not be lawful to circumvent this limitation on appropriations by governmental reorganization or other methods unless otherwise provided in Section 5g of this Act.

In fiscal year 1994, no Road Fund monies shall be appropriated to the Secretary of State for the purposes of this Section in excess of the total fiscal year 1991 Road Fund appropriations to the Secretary of State for those purposes, plus \$9,800,000. It shall not be lawful to circumvent this limitation on appropriations by governmental reorganization or other method.

Beginning with fiscal year 1995 and thereafter, no Road Fund monies shall be appropriated to the Secretary of State for the purposes of this Section in excess of the total fiscal year 1994 Road Fund appropriations to the Secretary of State for those purposes. It shall not be lawful to circumvent this limitation on appropriations by governmental reorganization or other methods.

Beginning with fiscal year 2000, total Road Fund appropriations to the Secretary of State for the purposes of this Section shall not exceed the amounts specified for the following fiscal years:

Fiscal Year 2000	\$80,500,000;
Fiscal Year 2001	\$80,500,000;
Fiscal Year 2002	\$80,500,000;
Fiscal Year 2003	\$130,500,000;
Fiscal Year 2004	\$130,500,000;
Fiscal Year 2005	\$130,500,000;
Fiscal Year 2006	\$130,500,000;
Fiscal Year 2007	\$130,500,000;
Fiscal Year 2008	\$130,500,000;
Fiscal Year 2009	\$130,500,000.

For fiscal year 2010, no road fund moneys shall be appropriated to the Secretary of State.

Beginning in fiscal year 2011, moneys in the Road Fund shall be appropriated to the Secretary of State for the exclusive purpose of paying refunds due to overpayment of fees related to Chapter 3 of the Illinois Vehicle Code unless otherwise provided for by law.

It shall not be lawful to circumvent this limitation on appropriations by governmental reorganization or other methods.

No new program may be initiated in fiscal year 1991 and thereafter that is not consistent with the limitations imposed by this Section for fiscal year 1984 and thereafter, insofar as appropriation of Road Fund monies is concerned.

Nothing in this Section prohibits transfers from the Road Fund to the State Construction Account Fund under Section 5e of this Act; nor to the General Revenue Fund, as authorized by Public Act 93-25.

The additional amounts authorized for expenditure in this Section by Public Acts 92-0600, 93-0025, 93-0839, and 94-91 shall be repaid to the Road Fund from the General Revenue Fund in the next succeeding fiscal year that the General Revenue Fund has a positive budgetary balance, as determined by generally accepted accounting principles applicable to government.

The additional amounts authorized for expenditure by the Secretary of State and the Department of State Police in this Section by Public Act 94-91 shall be repaid to the Road Fund from the General Revenue Fund in the next succeeding fiscal year that the General Revenue Fund has a positive budgetary balance, as determined by generally accepted accounting principles applicable to government.

(Source: P.A. 99-523, eff. 6-30-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18.)

(30 ILCS 105/8g)

Sec. 8g. Fund transfers.

(a) (Blank). In addition to any other transfers that may be provided for by law, as soon as may be practical after June 9, 1999 (the effective date of Public Act 91-25), the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$10,000,000 from the General Revenue Fund to the Motor Vehicle License Plate Fund created by Public Act 91-37.

(b) (Blank). In addition to any other transfers that may be provided for by law, as soon as may be practical after June 9, 1999 (the effective date of Public Act 91-25), the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$25,000,000 from the General Revenue Fund to the Fund for Illinois' Future created by Public Act 91-38.

(c) In addition to any other transfers that may be provided for by law, on August 30 of each fiscal year's license period, the Illinois Liquor Control Commission shall direct and the State Comptroller and State Treasurer shall transfer from the General Revenue Fund to the Youth Alcoholism and Substance Abuse Prevention Fund an amount equal to the number of retail liquor licenses issued for that fiscal year multiplied by \$50.

(d) The payments to programs required under subsection (d) of Section 28.1 of the Illinois Horse Racing Act of 1975 shall be made, pursuant to appropriation, from the special funds referred to in the statutes cited in that subsection, rather than directly from the General Revenue Fund.

Beginning January 1, 2000, on the first day of each month, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from the General Revenue Fund to each of the special funds from which payments are to be made under subsection (d) of Section 28.1 of the Illinois Horse Racing Act of 1975 an amount equal to 1/12 of the annual amount required for those payments from that special fund, which annual amount shall not exceed the annual amount for those payments from that special fund for the calendar year 1998. The special funds to which transfers shall be made under this subsection (d) include, but are not necessarily limited to, the Agricultural Premium Fund; the Metropolitan Exposition, Auditorium and Office Building Fund; the Fair and Exposition Fund; the Illinois Standardbred Breeders Fund; the Illinois Thoroughbred Breeders Fund; and the Illinois Veterans' Rehabilitation Fund. Except for transfers attributable to prior fiscal years, during State fiscal year ~~2018~~ 2020 only, no transfers shall be made from the General Revenue Fund to the Agricultural Premium Fund, the Fair and Exposition Fund, the Illinois Standardbred Breeders Fund, or the Illinois Thoroughbred Breeders Fund.

~~(e) (Blank). In addition to any other transfers that may be provided for by law, as soon as may be practical after May 17, 2000 (the effective date of Public Act 91-704), but in no event later than June 30, 2000, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$15,000,000 from the General Revenue Fund to the Fund for Illinois' Future.~~

~~(f) (Blank). In addition to any other transfers that may be provided for by law, as soon as may be practical after May 17, 2000 (the effective date of Public Act 91-704), but in no event later than June 30, 2000, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$70,000,000 from the General Revenue Fund to the Long-Term Care Provider Fund.~~

~~(f-1) (Blank). In fiscal year 2002, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$160,000,000 from the General Revenue Fund to the Long-Term Care Provider Fund.~~

~~(g) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2001, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,200,000 from the General Revenue Fund to the Violence Prevention Fund.~~

~~(h) (Blank). In each of fiscal years 2002 through 2004, but not thereafter, in addition to any other transfers that may be provided for by law, the State Comptroller shall direct and the State Treasurer shall transfer \$5,000,000 from the General Revenue Fund to the Tourism Promotion Fund.~~

~~(i) (Blank). On or after July 1, 2001 and until May 1, 2002, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be re-transferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2002.~~

~~(i-1) (Blank). On or after July 1, 2002 and until May 1, 2003, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be re-transferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2003.~~

~~(j) (Blank). On or after July 1, 2001 and no later than June 30, 2002, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not to exceed the following sums into the Statistical Services Revolving Fund:~~

From the General Revenue Fund.....	\$8,450,000
From the Public Utility Fund.....	1,700,000

From the Transportation Regulatory Fund.....	2,650,000
From the Title III Social Security and Employment Fund.....	3,700,000
From the Professions Indirect Cost Fund.....	4,050,000
From the Underground Storage Tank Fund.....	550,000
From the Agricultural Premium Fund.....	750,000
From the State Pensions Fund.....	200,000
From the Road Fund.....	2,000,000
From the Illinois Health Facilities Planning Fund.....	1,000,000
From the Savings and Residential Finance Regulatory Fund.....	130,800
From the Appraisal Administration Fund.....	28,600
From the Pawnbroker Regulation Fund.....	3,600
From the Auction Regulation Administration Fund.....	35,800
From the Bank and Trust Company Fund.....	634,800
From the Real Estate License Administration Fund.....	313,600

(k) (Blank). In addition to any other transfers that may be provided for by law, as soon as may be practical after December 20, 2001 (the effective date of Public Act 92-505), the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,000,000 from the General Revenue Fund to the Teachers Health Insurance Security Fund.

(k-1) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2002, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,000,000 from the General Revenue Fund to the Teachers Health Insurance Security Fund.

(k-2) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2003, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,000,000 from the General Revenue Fund to the Teachers Health Insurance Security Fund.

(k-3) (Blank). On or after July 1, 2002 and no later than June 30, 2003, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not to exceed the following sums into the Statistical Services Revolving Fund:

Appraisal Administration Fund.....	\$150,000
General Revenue Fund.....	10,440,000
Savings and Residential Finance Regulatory Fund.....	200,000
State Pensions Fund.....	100,000
Bank and Trust Company Fund.....	100,000
Professions Indirect Cost Fund.....	3,400,000
Public Utility Fund.....	2,081,200
Real Estate License Administration Fund.....	150,000
Title III Social Security and Employment Fund.....	1,000,000
Transportation Regulatory Fund.....	3,052,100
Underground Storage Tank Fund.....	50,000

(l) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2002, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$3,000,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(m) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2002 and on January 8, 2004 (the effective date of Public Act 93-648), or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,200,000 from the General Revenue Fund to the Violence Prevention Fund.

(n) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2003, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$6,800,000 from the General Revenue Fund to the DHS Recoveries Trust Fund.

(o) (Blank). On or after July 1, 2003, and no later than June 30, 2004, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State

Comptroller shall direct and the State Treasurer shall transfer amounts not to exceed the following sums into the Vehicle Inspection Fund:

From the Underground Storage Tank Fund \$35,000,000.

(p) (Blank). On or after July 1, 2003 and until May 1, 2004, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be re-transferred from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2004.

(q) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2003, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Illinois Military Family Relief Fund.

(r) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2003, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,922,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(s) (Blank). In addition to any other transfers that may be provided for by law, on or after July 1, 2003, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$4,800,000 from the Statewide Economic Development Fund to the General Revenue Fund.

(t) (Blank). In addition to any other transfers that may be provided for by law, on or after July 1, 2003, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$50,000,000 from the General Revenue Fund to the Budget Stabilization Fund.

(u) (Blank). On or after July 1, 2004 and until May 1, 2005, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be retransferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2005.

(v) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2004, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,200,000 from the General Revenue Fund to the Violence Prevention Fund.

(w) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2004, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$6,445,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(x) (Blank). In addition to any other transfers that may be provided for by law, on January 15, 2005, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer to the General Revenue Fund the following sums:

From the State Crime Laboratory Fund, \$200,000;

From the State Police Wireless Service Emergency Fund, \$200,000;

From the State Offender DNA Identification System Fund, \$800,000; and

From the State Police Whistleblower Reward and Protection Fund, \$500,000.

(y) (Blank). Notwithstanding any other provision of law to the contrary, in addition to any other transfers that may be provided for by law on June 30, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the designated funds into the General Revenue Fund and any future deposits that would otherwise be made into these funds must instead be made into the General Revenue Fund:

(1) the Keep Illinois Beautiful Fund;

(2) the Metropolitan Fair and Exposition Authority Reconstruction Fund;

(3) the New Technology Recovery Fund;

(4) the Illinois Rural Bond Bank Trust Fund;

(5) the ISBE School Bus Driver Permit Fund;

(6) the Solid Waste Management Revolving Loan Fund;

(7) the State Postsecondary Review Program Fund;

(8) the Tourism Attraction Development Matching Grant Fund;

(9) the Patent and Copyright Fund;

(10) the Credit Enhancement Development Fund;

(11) the Community Mental Health and Developmental Disabilities Services Provider Participation Fee Trust Fund;

(12) the Nursing Home Grant Assistance Fund;

(13) the By-product Material Safety Fund;

(14) the Illinois Student Assistance Commission Higher EdNet Fund;

(15) the DORS State Project Fund;

(16) the School Technology Revolving Fund;

(17) the Energy Assistance Contribution Fund;

(18) the Illinois Building Commission Revolving Fund;

(19) the Illinois Aquaculture Development Fund;

(20) the Homelessness Prevention Fund;

(21) the DCFS Refugee Assistance Fund;

(22) the Illinois Century Network Special Purposes Fund; and

(23) the Build Illinois Purposes Fund.

(z) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,200,000 from the General Revenue Fund to the Violence Prevention Fund.

(aa) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$9,000,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(bb) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$6,803,600 from the General Revenue Fund to the Securities Audit and Enforcement Fund.

(cc) (Blank). In addition to any other transfers that may be provided for by law, on or after July 1, 2005 and until May 1, 2006, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be re-transferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2006.

(dd) (Blank). In addition to any other transfers that may be provided for by law, on April 1, 2005, or as soon thereafter as may be practical, at the direction of the Director of Public Aid (now Director of Healthcare and Family Services), the State Comptroller shall direct and the State Treasurer shall transfer from the Public Aid Recoveries Trust Fund amounts not to exceed \$14,000,000 to the Community Mental Health/Medicaid Trust Fund.

(ce) (Blank). Notwithstanding any other provision of law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the Illinois Civic Center Bond Fund to the Illinois Civic Center Bond Retirement and Interest Fund.

(ff) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2006 and until June 30, 2007, at the direction of and upon notification from the Director of the Governor's Office of Management and Budget, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$1,900,000 from the General Revenue Fund to the Illinois Capital Revolving Loan Fund.

(gg) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2006 and until May 1, 2007, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be retransferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2007.

(hh) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2006 and until June 30, 2007, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts from the Illinois Affordable Housing Trust Fund to the designated funds not exceeding the following amounts:

DCFS Children's Services Fund.....	\$2,200,000
Department of Corrections Reimbursement and Education Fund.....	\$1,500,000
Supplemental Low Income Energy	

Assistance Fund.....\$75,000

(ii) (Blank). In addition to any other transfers that may be provided for by law, on or before August 31, 2006, the Governor and the State Comptroller may agree to transfer the surplus cash balance from the General Revenue Fund to the Budget Stabilization Fund and the Pension Stabilization Fund in equal proportions. The determination of the amount of the surplus cash balance shall be made by the Governor, with the concurrence of the State Comptroller, after taking into account the June 30, 2006 balances in the general funds and the actual or estimated spending from the general funds during the lapse period. Notwithstanding the foregoing, the maximum amount that may be transferred under this subsection (ii) is \$50,000,000.

(jj) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$8,250,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(kk) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,400,000 from the General Revenue Fund to the Violence Prevention Fund.

(ll) (Blank). In addition to any other transfers that may be provided for by law, on the first day of each calendar quarter of the fiscal year beginning July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer from the General Revenue Fund amounts equal to one-fourth of \$20,000,000 to the Renewable Energy Resources Trust Fund.

(mm) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,320,000 from the General Revenue Fund to the I-FLY Fund.

(nn) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$3,000,000 from the General Revenue Fund to the African-American HIV/AIDS Response Fund.

(oo) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2006 and until June 30, 2007, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts identified as net receipts from the sale of all or part of the Illinois Student Assistance Commission loan portfolio from the Student Loan Operating Fund to the General Revenue Fund. The maximum amount that may be transferred pursuant to this Section is \$38,800,000. In addition, no transfer may be made pursuant to this Section that would have the effect of reducing the available balance in the Student Loan Operating Fund to an amount less than the amount remaining unexpended and unreserved from the total appropriations from the Fund estimated to be expended for the fiscal year. The State Treasurer and Comptroller shall transfer the amounts designated under this Section as soon as may be practical after receiving the direction to transfer from the Governor.

(pp) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,000,000 from the General Revenue Fund to the Illinois Veterans Assistance Fund.

(qq) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2007 and until May 1, 2008, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be retransferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2008.

(rr) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2007 and until June 30, 2008, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts from the Illinois Affordable Housing Trust Fund to the designated funds not exceeding the following amounts:

DCFS Children's Services Fund.....\$2,200,000
Department of Corrections Reimbursement
and Education Fund.....\$1,500,000
Supplemental Low Income Energy
Assistance Fund.....\$75,000

(ss) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$8,250,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(tt) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,400,000 from the General Revenue Fund to the Violence Prevention Fund.

(uu) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,320,000 from the General Revenue Fund to the I-FLY Fund.

(vv) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$3,000,000 from the General Revenue Fund to the African-American HIV/AIDS Response Fund.

(ww) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$3,500,000 from the General Revenue Fund to the Predatory Lending Database Program Fund.

(xx) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Digital Divide Elimination Fund.

(yy) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$4,000,000 from the General Revenue Fund to the Digital Divide Elimination Infrastructure Fund.

(zz) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2008, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Digital Divide Elimination Fund.

(aaa) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2008 and until May 1, 2009, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be retransferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2009.

(bbb) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2008 and until June 30, 2009, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts from the Illinois Affordable Housing Trust Fund to the designated funds not exceeding the following amounts:

DCFS Children's Services Fund.....	\$2,200,000
Department of Corrections Reimbursement and Education Fund.....	\$1,500,000
Supplemental Low-Income Energy Assistance Fund.....	\$75,000

(ccc) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2008, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$7,450,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(ddd) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2008, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,400,000 from the General Revenue Fund to the Violence Prevention Fund.

(cee) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Digital Divide Elimination Fund.

(fff) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2009 and until May 1, 2010, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be retransferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2010.

(ggg) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$7,450,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(hhh) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,400,000 from the General Revenue Fund to the Violence Prevention Fund.

(iii) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$100,000 from the General Revenue Fund to the Heartsaver AED Fund.

(jjj) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2009 and until June 30, 2010, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$17,000,000 from the General Revenue Fund to the DCFS Children's Services Fund.

(lll) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Communications Revolving Fund.

(mmm) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$9,700,000 from the General Revenue Fund to the Senior Citizens Real Estate Deferred Tax Revolving Fund.

(nnn) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$565,000 from the FY09 Budget Relief Fund to the Horse Racing Fund.

(ooo) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$600,000 from the General Revenue Fund to the Temporary Relocation Expenses Revolving Fund.

(ppp) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Digital Divide Elimination Fund.

(qqq) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2010 and until May 1, 2011, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be retransferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2011.

(rrr) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$6,675,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(sss) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,400,000 from the General Revenue Fund to the Violence Prevention Fund.

(ttt) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$100,000 from the General Revenue Fund to the Heartsaver AED Fund.

(uuu) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Communications Revolving Fund.

(vvv) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$3,000,000 from the General Revenue Fund to the Illinois Capital Revolving Loan Fund.

(www) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$17,000,000 from the General Revenue Fund to the DCFS Children's Services Fund.

(xxx) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,000,000 from the Digital Divide Elimination Infrastructure Fund, of which \$1,000,000 shall go to the Workforce, Technology, and Economic Development Fund and \$1,000,000 to the Public Utility Fund.

(yyy) (Blank). In addition to any other transfers that may be provided for by law, on and after July 1, 2011 and until May 1, 2012, at the direction of and upon notification from the Governor, the State

Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be retransferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2012.

(zzz) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,000,000 from the General Revenue Fund to the Illinois Veterans Assistance Fund.

(aaaa) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$8,000,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(bbbb) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,400,000 from the General Revenue Fund to the Violence Prevention Fund.

(cccc) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$14,100,000 from the General Revenue Fund to the State Garage Revolving Fund.

(dddd) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$4,000,000 from the General Revenue Fund to the Digital Divide Elimination Fund.

(eece) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$500,000 from the General Revenue Fund to the Senior Citizens Real Estate Deferred Tax Revolving Fund.

(Source: P.A. 99-933, eff. 1-27-17; 100-23, eff. 7-6-17; 100-201, eff. 8-18-17; 100-863, eff. 8-14-18.)

(30 ILCS 105/8g-1)

Sec. 8g-1. Fund transfers.

(a) (Blank).

(b) (Blank).

(c) (Blank).

(d) (Blank).

(e) (Blank).

(f) (Blank).

(g) (Blank).

(h) (Blank).

(i) (Blank).

(j) (Blank).

(k) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2017, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$500,000 from the General Revenue Fund to the Grant Accountability and Transparency Fund.

(l) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2018, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$800,000 from the General Revenue Fund to the Grant Accountability and Transparency Fund.

(m) (Blank). In addition to any other transfers that may be provided for by law, on July 1, 2018, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$650,000 from the Capital Development Board Contributory Trust Fund to the Facility Management Revolving Fund.

(n) In addition to any other transfers that may be provided for by law, on July 1, 2018, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,750,000 from the Capital Development Board Contributory Trust Fund to the U.S. Environmental Protection Fund.

(o) In addition to any other transfers that may be provided for by law, on July 1, 2019, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$800,000 from the General Revenue Fund to the Grant Accountability and Transparency Fund.

(p) In addition to any other transfers that may be provided for by law, on July 1, 2019, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$60,000,000 from the Tourism Promotion Fund to the General Revenue Fund.

(p) In addition to any other transfers that may be provided for by law, on July 1, 2019, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer amounts from the State Police Whistleblower Reward and Protection Fund to the designated fund not exceeding the following amount:

Firearm Dealer License Certification Fund.....\$5,000,000

(q) In addition to any other transfers that may be provided for by law, on July 1, 2019, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$500,000 from the General Revenue Fund to the Governor's Administrative Fund.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

(30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

Sec. 13.2. Transfers among line item appropriations.

(a) Transfers among line item appropriations from the same treasury fund for the objects specified in this Section may be made in the manner provided in this Section when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made.

(a-1) No transfers may be made from one agency to another agency, nor may transfers be made from one institution of higher education to another institution of higher education except as provided by subsection (a-4).

(a-2) Except as otherwise provided in this Section, transfers may be made only among the objects of expenditure enumerated in this Section, except that no funds may be transferred from any appropriation for personal services, from any appropriation for State contributions to the State Employees' Retirement System, from any separate appropriation for employee retirement contributions paid by the employer, nor from any appropriation for State contribution for employee group insurance. ~~During State fiscal year 2005, an agency may transfer amounts among its appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State Contributions to retirement systems; notwithstanding and in addition to the transfers authorized in subsection (c) of this Section, the fiscal year 2005 transfers authorized in this sentence may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund. During State fiscal year 2007, the Departments of Children and Family Services, Corrections, Human Services, and Juvenile Justice may transfer amounts among their respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal year 2010, the Department of Transportation may transfer amounts among their respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. During State fiscal years 2010 and 2014 only, an agency may transfer amounts among its respective appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State contributions to retirement systems. Notwithstanding, and in addition to, the transfers authorized in subsection (c) of this Section, these transfers may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund.~~

~~(a-2.5) (Blank). During State fiscal year 2015 only, the State's Attorneys Appellate Prosecutor may transfer amounts among its respective appropriations contained in operational line items within the same treasury fund. Notwithstanding, and in addition to, the transfers authorized in subsection (c) of this Section, these transfers may be made in an amount not to exceed 4% of the aggregate amount appropriated to the State's Attorneys Appellate Prosecutor within the same treasury fund.~~

(a-3) Further, if an agency receives a separate appropriation for employee retirement contributions paid by the employer, any transfer by that agency into an appropriation for personal services must be accompanied by a corresponding transfer into the appropriation for employee retirement contributions paid by the employer, in an amount sufficient to meet the employer share of the employee contributions required to be remitted to the retirement system.

(a-4) Long-Term Care Rebalancing. The Governor may designate amounts set aside for institutional services appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services to be transferred to all State agencies responsible for the administration of community-based long-term care programs, including, but not limited to, community-based long-term care programs administered by the Department of Healthcare and Family Services, the Department of Human Services, and the Department on Aging, provided that the Director of Healthcare and Family Services first certifies that the amounts being transferred are necessary for the purpose of assisting persons in or at risk of being in institutional care to transition to community-based settings, including the financial data needed to prove the need for the transfer of funds. The total amounts transferred shall not exceed 4% in total of the amounts appropriated from the General Revenue Fund or any other State fund that receives monies for long-term care services for each fiscal year. A notice of the fund transfer must be made to the General

Assembly and posted at a minimum on the Department of Healthcare and Family Services website, the Governor's Office of Management and Budget website, and any other website the Governor sees fit. These postings shall serve as notice to the General Assembly of the amounts to be transferred. Notice shall be given at least 30 days prior to transfer.

(b) In addition to the general transfer authority provided under subsection (c), the following agencies have the specific transfer authority granted in this subsection:

The Department of Healthcare and Family Services is authorized to make transfers representing savings attributable to not increasing grants due to the births of additional children from line items for payments of cash grants to line items for payments for employment and social services for the purposes outlined in subsection (f) of Section 4-2 of the Illinois Public Aid Code.

The Department of Children and Family Services is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following line items among these same line items: Foster Home and Specialized Foster Care and Prevention, Institutions and Group Homes and Prevention, and Purchase of Adoption and Guardianship Services.

The Department on Aging is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following Community Care Program line items among these same line items: purchase of services covered by the Community Care Program and Comprehensive Case Coordination.

~~The State Treasurer is authorized to make transfers among line item appropriations from the Capital Litigation Trust Fund, with respect to costs incurred in fiscal years 2002 and 2003 only, when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.~~

The State Board of Education is authorized to make transfers from line item appropriations within the same treasury fund for General State Aid, General State Aid - Hold Harmless, and Evidence-Based Funding, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made, to the line item appropriation for Transitional Assistance when the balance remaining in such line item appropriation is insufficient for the purpose for which the appropriation was made.

The State Board of Education is authorized to make transfers between the following line item appropriations within the same treasury fund: Disabled Student Services/Materials (Section 14-13.01 of the School Code), Disabled Student Transportation Reimbursement (Section 14-13.01 of the School Code), Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code), Extraordinary Special Education (Section 14-7.02b of the School Code), Reimbursement for Free Lunch/Breakfast Program, Summer School Payments (Section 18-4.3 of the School Code), and Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code). Such transfers shall be made only when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made and provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.

The Department of Healthcare and Family Services is authorized to make transfers not exceeding 4% of the aggregate amount appropriated to it, within the same treasury fund, among the various line items appropriated for Medical Assistance.

(c) The sum of such transfers for an agency in a fiscal year shall not exceed 2% of the aggregate amount appropriated to it within the same treasury fund for the following objects: Personal Services; Extra Help; Student and Inmate Compensation; State Contributions to Retirement Systems; State Contributions to Social Security; State Contribution for Employee Group Insurance; Contractual Services; Travel; Commodities; Printing; Equipment; Electronic Data Processing; Operation of Automotive Equipment; Telecommunications Services; Travel and Allowance for Committed, Paroled and Discharged Prisoners; Library Books; Federal Matching Grants for Student Loans; Refunds; Workers' Compensation, Occupational Disease, and Tort Claims; Late Interest Penalties under the State Prompt Payment Act and Sections 368a and 370a of the Illinois Insurance Code; and, in appropriations to institutions of higher education, Awards and Grants. Notwithstanding the above, any amounts appropriated for payment of workers' compensation claims to an agency to which the authority to evaluate, administer and pay such claims has been delegated by the Department of Central Management Services may be transferred to any other expenditure object where such amounts exceed the amount necessary for the payment of such claims.

~~(c-1) (Blank). Special provisions for State fiscal year 2003. Notwithstanding any other provision of this Section to the contrary, for State fiscal year 2003 only, transfers among line item appropriations to an agency from the same treasury fund may be made provided that the sum of such transfers for an agency in State fiscal year 2003 shall not exceed 3% of the aggregate amount appropriated to that State agency for~~

State fiscal year 2003 for the following objects: personal services, except that no transfer may be approved which reduces the aggregate appropriations for personal services within an agency; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; and, in appropriations to institutions of higher education, awards and grants.

(c-2) (Blank). Special provisions for State fiscal year 2005. Notwithstanding subsections (a), (a-2), and (c), for State fiscal year 2005 only, transfers may be made among any line item appropriations from the same or any other treasury fund for any objects or purposes, without limitation, when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that the sum of those transfers by a State agency shall not exceed 4% of the aggregate amount appropriated to that State agency for fiscal year 2005.

(c-3) (Blank). Special provisions for State fiscal year 2015. Notwithstanding any other provision of this Section, for State fiscal year 2015, transfers among line item appropriations to a State agency from the same State treasury fund may be made for operational or lump sum expenses only, provided that the sum of such transfers for a State agency in State fiscal year 2015 shall not exceed 4% of the aggregate amount appropriated to that State agency for operational or lump sum expenses for State fiscal year 2015. For the purpose of this subsection, "operational or lump sum expenses" includes the following objects: personal services; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; lump sum and other purposes; and lump sum operations. For the purpose of this subsection (c-3), "State agency" does not include the Attorney General, the Secretary of State, the Comptroller, the Treasurer, or the legislative or judicial branches.

(c-4) (Blank). Special provisions for State fiscal year 2018. Notwithstanding any other provision of this Section, for State fiscal year 2018, transfers among line item appropriations to a State agency from the same State treasury fund may be made for operational or lump sum expenses only, provided that the sum of such transfers for a State agency in State fiscal year 2018 shall not exceed 4% of the aggregate amount appropriated to that State agency for operational or lump sum expenses for State fiscal year 2018. For the purpose of this subsection (c-4), "operational or lump sum expenses" includes the following objects: personal services; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; lump sum and other purposes; and lump sum operations. For the purpose of this subsection (c-4), "State agency" does not include the Attorney General, the Secretary of State, the Comptroller, the Treasurer, or the legislative or judicial branches.

(c-5) Special provisions for State fiscal year 2019. Notwithstanding any other provision of this Section, for State fiscal year 2019, transfers among line item appropriations to a State agency from the same State treasury fund may be made for operational or lump sum expenses only, provided that the sum of such transfers for a State agency in State fiscal year 2019 shall not exceed 4% of the aggregate amount appropriated to that State agency for operational or lump sum expenses for State fiscal year 2019. For the purpose of this subsection (c-5), "operational or lump sum expenses" includes the following objects: personal services; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; lump sum and other purposes; and lump sum operations. For the purpose of this subsection (c-5), "State agency" does not include the Attorney General, the Secretary of State, the Comptroller, the Treasurer, or the legislative or judicial branches.

(c-6) Special provisions for State fiscal year 2020. Notwithstanding any other provision of this Section, for State fiscal year 2020, transfers among line item appropriations to a State agency from the same State treasury fund may be made for operational or lump sum expenses only, provided that the sum of such

transfers for a State agency in State fiscal year 2020 shall not exceed 4% of the aggregate amount appropriated to that State agency for operational or lump sum expenses for State fiscal year 2020. For the purpose of this subsection (c-6), "operational or lump sum expenses" includes the following objects: personal services; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; Late Interest Penalties under the State Prompt Payment Act and Sections 368a and 370a of the Illinois Insurance Code; lump sum and other purposes; and lump sum operations. For the purpose of this subsection (c-6), "State agency" does not include the Attorney General, the Secretary of State, the Comptroller, the Treasurer, or the judicial or legislative branches.

(d) Transfers among appropriations made to agencies of the Legislative and Judicial departments and to the constitutionally elected officers in the Executive branch require the approval of the officer authorized in Section 10 of this Act to approve and certify vouchers. Transfers among appropriations made to the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Illinois Mathematics and Science Academy and the Board of Higher Education require the approval of the Board of Higher Education and the Governor. Transfers among appropriations to all other agencies require the approval of the Governor.

The officer responsible for approval shall certify that the transfer is necessary to carry out the programs and purposes for which the appropriations were made by the General Assembly and shall transmit to the State Comptroller a certified copy of the approval which shall set forth the specific amounts transferred so that the Comptroller may change his records accordingly. The Comptroller shall furnish the Governor with information copies of all transfers approved for agencies of the Legislative and Judicial departments and transfers approved by the constitutionally elected officials of the Executive branch other than the Governor, showing the amounts transferred and indicating the dates such changes were entered on the Comptroller's records.

(e) The State Board of Education, in consultation with the State Comptroller, may transfer line item appropriations for General State Aid or Evidence-Based Funding ~~among between~~ the Common School Fund and the Education Assistance Fund , and, for State fiscal year 2020, the Fund for the Advancement of Education. With the advice and consent of the Governor's Office of Management and Budget, the State Board of Education, in consultation with the State Comptroller, may transfer line item appropriations between the General Revenue Fund and the Education Assistance Fund for the following programs:

- (1) Disabled Student Personnel Reimbursement (Section 14-13.01 of the School Code);
- (2) Disabled Student Transportation Reimbursement (subsection (b) of Section 14-13.01 of the School Code);
- (3) Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code);
- (4) Extraordinary Special Education (Section 14-7.02b of the School Code);
- (5) Reimbursement for Free Lunch/Breakfast Programs;
- (6) Summer School Payments (Section 18-4.3 of the School Code);
- (7) Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code);
- (8) Regular Education Reimbursement (Section 18-3 of the School Code); and
- (9) Special Education Reimbursement (Section 14-7.03 of the School Code).

(f) For State fiscal year 2020 only, the Department on Aging, in consultation with the State Comptroller, with the advice and consent of the Governor's Office of Management and Budget, may transfer line item appropriations for purchase of services covered by the Community Care Program between the General Revenue Fund and the Commitment to Human Services Fund.

(Source: P.A. 99-2, eff. 3-26-15; 100-23, eff. 7-6-17; 100-465, eff. 8-31-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 100-1064, eff. 8-24-18; revised 10-9-18.)

(30 ILCS 105/25) (from Ch. 127, par. 161)

Sec. 25. Fiscal year limitations.

(a) All appropriations shall be available for expenditure for the fiscal year or for a lesser period if the Act making that appropriation so specifies. A deficiency or emergency appropriation shall be available for expenditure only through June 30 of the year when the Act making that appropriation is enacted unless that Act otherwise provides.

(b) Outstanding liabilities as of June 30, payable from appropriations which have otherwise expired, may be paid out of the expiring appropriations during the 2-month period ending at the close of business on August 31. Any service involving professional or artistic skills or any personal services by an employee

whose compensation is subject to income tax withholding must be performed as of June 30 of the fiscal year in order to be considered an "outstanding liability as of June 30" that is thereby eligible for payment out of the expiring appropriation.

(b-1) However, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code may be made by the State Board of Education from its appropriations for those respective purposes for any fiscal year, even though the claims reimbursed by the payment may be claims attributable to a prior fiscal year, and payments may be made at the direction of the State Superintendent of Education from the fund from which the appropriation is made without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code as of June 30, payable from appropriations that have otherwise expired, may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-2) (Blank). All outstanding liabilities as of June 30, 2010, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2010, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2010, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2010.

(b-2.5) (Blank). All outstanding liabilities as of June 30, 2011, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2011, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2011, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2011.

(b-2.6) (Blank). All outstanding liabilities as of June 30, 2012, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2012, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2012, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2012.

(b-2.6a) (Blank). All outstanding liabilities as of June 30, 2017, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2017, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2017, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than September 30, 2017.

(b-2.6b) (Blank). All outstanding liabilities as of June 30, 2018, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2018, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2018, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than October 31, 2018.

(b-2.6c) All outstanding liabilities as of June 30, 2019, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2019, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2019, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than October 31, 2019.

(b-2.7) For fiscal years 2012, 2013, and 2014, 2018, 2019, and 2020, interest penalties payable under the State Prompt Payment Act associated with a voucher for which payment is issued after June 30 may be paid out of the next fiscal year's appropriation. The future year appropriation must be for the same purpose and from the same fund as the original payment. An interest penalty voucher submitted against a future year appropriation must be submitted within 60 days after the issuance of the associated voucher, except that, for fiscal year 2018 only, an interest penalty voucher submitted against a future year appropriation must be submitted within 60 days of the effective date of this amendatory Act of the 101st General Assembly. ~~The~~ and the Comptroller must issue the interest payment within 60 days after acceptance of the interest voucher.

(b-3) Medical payments may be made by the Department of Veterans' Affairs from its appropriations for those purposes for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-4) Medical payments and child care payments may be made by the Department of Human Services (as successor to the Department of Public Aid) from appropriations for those purposes for any fiscal year,

without regard to the fact that the medical or child care services being compensated for by such payment may have been rendered in a prior fiscal year; and payments may be made at the direction of the Department of Healthcare and Family Services (or successor agency) from the Health Insurance Reserve Fund without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical and child care payments made by the Department of Human Services and payments made at the discretion of the Department of Healthcare and Family Services (or successor agency) from the Health Insurance Reserve Fund and payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-5) Medical payments may be made by the Department of Human Services from its appropriations relating to substance abuse treatment services for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, provided the payments are made on a fee-for-service basis consistent with requirements established for Medicaid reimbursement by the Department of Healthcare and Family Services, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments made by the Department of Human Services relating to substance abuse treatment services payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-6) Additionally, payments may be made by the Department of Human Services from its appropriations, or any other State agency from its appropriations with the approval of the Department of Human Services, from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986, without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payments made by the Department of Human Services from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986 payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-7) Payments may be made in accordance with a plan authorized by paragraph (11) or (12) of Section 405-105 of the Department of Central Management Services Law from appropriations for those payments without regard to fiscal year limitations.

(b-8) Reimbursements to eligible airport sponsors for the construction or upgrading of Automated Weather Observation Systems may be made by the Department of Transportation from appropriations for those purposes for any fiscal year, without regard to the fact that the qualification or obligation may have occurred in a prior fiscal year, provided that at the time the expenditure was made the project had been approved by the Department of Transportation prior to June 1, 2012 and, as a result of recent changes in federal funding formulas, can no longer receive federal reimbursement.

~~(b-9) (Blank). Medical payments not exceeding \$150,000,000 may be made by the Department on Aging from its appropriations relating to the Community Care Program for fiscal year 2014, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, provided the payments are made on a fee-for-service basis consistent with requirements established for Medicaid reimbursement by the Department of Healthcare and Family Services, except as required by subsection (j) of this Section.~~

(c) Further, payments may be made by the Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) from their respective appropriations for grants for medical care to or on behalf of premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program, for any fiscal year without regard to the fact that the services being compensated for by such payment may have been rendered in a prior fiscal year, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payments made by the Department of Public Health and the Department of Human Services from their respective appropriations for grants for medical care to or on behalf of premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program payable from appropriations that have otherwise expired may be paid out of the expiring appropriations during the 4-month period ending at the close of business on October 31.

(d) The Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the

Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(e) The Department of Healthcare and Family Services, the Department of Human Services (acting as successor to the Department of Public Aid), and the Department of Human Services making fee-for-service payments relating to substance abuse treatment services provided during a previous fiscal year shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before November 30, a report that shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for (i) services provided in prior fiscal years and (ii) services for which claims were received in prior fiscal years.

(f) The Department of Human Services (as successor to the Department of Public Aid) shall annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services (other than medical care) provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(g) In addition, each annual report required to be submitted by the Department of Healthcare and Family Services under subsection (e) shall include the following information with respect to the State's Medicaid program:

(1) Explanations of the exact causes of the variance between the previous year's estimated and actual liabilities.

(2) Factors affecting the Department of Healthcare and Family Services' liabilities, including but not limited to numbers of aid recipients, levels of medical service utilization by aid recipients, and inflation in the cost of medical services.

(3) The results of the Department's efforts to combat fraud and abuse.

(h) As provided in Section 4 of the General Assembly Compensation Act, any utility bill for service provided to a General Assembly member's district office for a period including portions of 2 consecutive fiscal years may be paid from funds appropriated for such expenditure in either fiscal year.

(i) An agency which administers a fund classified by the Comptroller as an internal service fund may issue rules for:

(1) billing user agencies in advance for payments or authorized inter-fund transfers based on estimated charges for goods or services;

(2) issuing credits, refunding through inter-fund transfers, or reducing future inter-fund transfers during the subsequent fiscal year for all user agency payments or authorized inter-fund transfers received during the prior fiscal year which were in excess of the final amounts owed by the user agency for that period; and

(3) issuing catch-up billings to user agencies during the subsequent fiscal year for amounts remaining due when payments or authorized inter-fund transfers received from the user agency during the prior fiscal year were less than the total amount owed for that period.

User agencies are authorized to reimburse internal service funds for catch-up billings by vouchers drawn against their respective appropriations for the fiscal year in which the catch-up billing was issued or by increasing an authorized inter-fund transfer during the current fiscal year. For the purposes of this Act, "inter-fund transfers" means transfers without the use of the voucher-warrant process, as authorized by Section 9.01 of the State Comptroller Act.

(i-1) Beginning on July 1, 2021, all outstanding liabilities, not payable during the 4-month lapse period as described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and (c) of this Section, that are made from appropriations for that purpose for any fiscal year, without regard to the fact that the services being compensated for by those payments may have been rendered in a prior fiscal year, are limited to only those claims that have been incurred but for which a proper bill or invoice as defined by the State Prompt Payment Act has not been received by September 30th following the end of the fiscal year in which the service was rendered.

(j) Notwithstanding any other provision of this Act, the aggregate amount of payments to be made without regard for fiscal year limitations as contained in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and determined by using Generally Accepted Accounting Principles, shall not exceed the following amounts:

[June 2, 2019]

- (1) \$6,000,000,000 for outstanding liabilities related to fiscal year 2012;
- (2) \$5,300,000,000 for outstanding liabilities related to fiscal year 2013;
- (3) \$4,600,000,000 for outstanding liabilities related to fiscal year 2014;
- (4) \$4,000,000,000 for outstanding liabilities related to fiscal year 2015;
- (5) \$3,300,000,000 for outstanding liabilities related to fiscal year 2016;
- (6) \$2,600,000,000 for outstanding liabilities related to fiscal year 2017;
- (7) \$2,000,000,000 for outstanding liabilities related to fiscal year 2018;
- (8) \$1,300,000,000 for outstanding liabilities related to fiscal year 2019;
- (9) \$600,000,000 for outstanding liabilities related to fiscal year 2020; and
- (10) \$0 for outstanding liabilities related to fiscal year 2021 and fiscal years

thereafter.

(k) Department of Healthcare and Family Services Medical Assistance Payments.

(1) Definition of Medical Assistance.

For purposes of this subsection, the term "Medical Assistance" shall include, but not necessarily be limited to, medical programs and services authorized under Titles XIX and XXI of the Social Security Act, the Illinois Public Aid Code, the Children's Health Insurance Program Act, the Covering ALL KIDS Health Insurance Act, the Long Term Acute Care Hospital Quality Improvement Transfer Program Act, and medical care to or on behalf of persons suffering from chronic renal disease, persons suffering from hemophilia, and victims of sexual assault.

(2) Limitations on Medical Assistance payments that may be paid from future fiscal year appropriations.

(A) The maximum amounts of annual unpaid Medical Assistance bills received and recorded by the Department of Healthcare and Family Services on or before June 30th of a particular fiscal year attributable in aggregate to the General Revenue Fund, Healthcare Provider Relief Fund, Tobacco Settlement Recovery Fund, Long-Term Care Provider Fund, and the Drug Rebate Fund that may be paid in total by the Department from future fiscal year Medical Assistance appropriations to those funds are: \$700,000,000 for fiscal year 2013 and \$100,000,000 for fiscal year 2014 and each fiscal year thereafter.

(B) Bills for Medical Assistance services rendered in a particular fiscal year, but received and recorded by the Department of Healthcare and Family Services after June 30th of that fiscal year, may be paid from either appropriations for that fiscal year or future fiscal year appropriations for Medical Assistance. Such payments shall not be subject to the requirements of subparagraph (A).

(C) Medical Assistance bills received by the Department of Healthcare and Family Services in a particular fiscal year, but subject to payment amount adjustments in a future fiscal year may be paid from a future fiscal year's appropriation for Medical Assistance. Such payments shall not be subject to the requirements of subparagraph (A).

(D) Medical Assistance payments made by the Department of Healthcare and Family Services from funds other than those specifically referenced in subparagraph (A) may be made from appropriations for those purposes for any fiscal year without regard to the fact that the Medical Assistance services being compensated for by such payment may have been rendered in a prior fiscal year. Such payments shall not be subject to the requirements of subparagraph (A).

(3) Extended lapse period for Department of Healthcare and Family Services Medical Assistance payments. Notwithstanding any other State law to the contrary, outstanding Department of Healthcare and Family Services Medical Assistance liabilities, as of June 30th, payable from appropriations which have otherwise expired, may be paid out of the expiring appropriations during the 6-month period ending at the close of business on December 31st.

(l) The changes to this Section made by Public Act 97-691 shall be effective for payment of Medical Assistance bills incurred in fiscal year 2013 and future fiscal years. The changes to this Section made by Public Act 97-691 shall not be applied to Medical Assistance bills incurred in fiscal year 2012 or prior fiscal years.

(m) The Comptroller must issue payments against outstanding liabilities that were received prior to the lapse period deadlines set forth in this Section as soon thereafter as practical, but no payment may be issued after the 4 months following the lapse period deadline without the signed authorization of the Comptroller and the Governor.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

Section 5-40. The Gifts and Grants to Government Act is amended by adding Section 4 as follows:
(30 ILCS 110/4 new)

[June 2, 2019]

Sec. 4. Governor's Grant Fund; additional purposes. In addition to any other deposits authorized by law, the Governor's Grant Fund may accept funds from any source, public or private, to be used for the purposes of such funds including administrative costs of the Governor's Office.

Section 5-45. The State Revenue Sharing Act is amended by changing Section 12 as follows:
(30 ILCS 115/12) (from Ch. 85, par. 616)

Sec. 12. Personal Property Tax Replacement Fund. There is hereby created the Personal Property Tax Replacement Fund, a special fund in the State Treasury into which shall be paid all revenue realized:

(a) all amounts realized from the additional personal property tax replacement income tax imposed by subsections (c) and (d) of Section 201 of the Illinois Income Tax Act, except for those amounts deposited into the Income Tax Refund Fund pursuant to subsection (c) of Section 901 of the Illinois Income Tax Act; and

(b) all amounts realized from the additional personal property replacement invested capital taxes imposed by Section 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas Revenue Tax Act, Section 2a.1 of the Public Utilities Revenue Act, and Section 3 of the Water Company Invested Capital Tax Act, and amounts payable to the Department of Revenue under the Telecommunications Infrastructure Maintenance Fee Act.

As soon as may be after the end of each month, the Department of Revenue shall certify to the Treasurer and the Comptroller the amount of all refunds paid out of the General Revenue Fund through the preceding month on account of overpayment of liability on taxes paid into the Personal Property Tax Replacement Fund. Upon receipt of such certification, the Treasurer and the Comptroller shall transfer the amount so certified from the Personal Property Tax Replacement Fund into the General Revenue Fund.

The payments of revenue into the Personal Property Tax Replacement Fund shall be used exclusively for distribution to taxing districts, regional offices and officials, and local officials as provided in this Section and in the School Code, payment of the ordinary and contingent expenses of the Property Tax Appeal Board, payment of the expenses of the Department of Revenue incurred in administering the collection and distribution of monies paid into the Personal Property Tax Replacement Fund and transfers due to refunds to taxpayers for overpayment of liability for taxes paid into the Personal Property Tax Replacement Fund.

In addition, moneys in the Personal Property Tax Replacement Fund may be used to pay any of the following: (i) salary, stipends, and additional compensation as provided by law for chief election clerks, county clerks, and county recorders; (ii) costs associated with regional offices of education and educational service centers; (iii) reimbursements payable by the State Board of Elections under Section 4-25, 5-35, 6-71, 13-10, 13-10a, or 13-11 of the Election Code; (iv) expenses of the Illinois Educational Labor Relations Board; and (v) salary, personal services, and additional compensation as provided by law for court reporters under the Court Reporters Act.

As soon as may be after the effective date of this amendatory Act of 1980, the Department of Revenue shall certify to the Treasurer the amount of net replacement revenue paid into the General Revenue Fund prior to that effective date from the additional tax imposed by Section 2a.1 of the Messages Tax Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of the Public Utilities Revenue Act; Section 3 of the Water Company Invested Capital Tax Act; amounts collected by the Department of Revenue under the Telecommunications Infrastructure Maintenance Fee Act; and the additional personal property tax replacement income tax imposed by the Illinois Income Tax Act, as amended by Public Act 81-1st Special Session-1. Net replacement revenue shall be defined as the total amount paid into and remaining in the General Revenue Fund as a result of those Acts minus the amount outstanding and obligated from the General Revenue Fund in state vouchers or warrants prior to the effective date of this amendatory Act of 1980 as refunds to taxpayers for overpayment of liability under those Acts.

All interest earned by monies accumulated in the Personal Property Tax Replacement Fund shall be deposited in such Fund. All amounts allocated pursuant to this Section are appropriated on a continuing basis.

Prior to December 31, 1980, as soon as may be after the end of each quarter beginning with the quarter ending December 31, 1979, and on and after December 31, 1980, as soon as may be after January 1, March 1, April 1, May 1, July 1, August 1, October 1 and December 1 of each year, the Department of Revenue shall allocate to each taxing district as defined in Section 1-150 of the Property Tax Code, in accordance with the provisions of paragraph (2) of this Section the portion of the funds held in the Personal Property Tax Replacement Fund which is required to be distributed, as provided in paragraph (1), for each quarter. Provided, however, under no circumstances shall any taxing district during each of the first two years of distribution of the taxes imposed by this amendatory Act of 1979 be entitled to an annual allocation which is less than the funds such taxing district collected from the 1978 personal property tax. Provided further

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that under no circumstances shall any taxing district during the third year of distribution of the taxes imposed by this amendatory Act of 1979 receive less than 60% of the funds such taxing district collected from the 1978 personal property tax. In the event that the total of the allocations made as above provided for all taxing districts, during either of such 3 years, exceeds the amount available for distribution the allocation of each taxing district shall be proportionately reduced. Except as provided in Section 13 of this Act, the Department shall then certify, pursuant to appropriation, such allocations to the State Comptroller who shall pay over to the several taxing districts the respective amounts allocated to them.

Any township which receives an allocation based in whole or in part upon personal property taxes which it levied pursuant to Section 6-507 or 6-512 of the Illinois Highway Code and which was previously required to be paid over to a municipality shall immediately pay over to that municipality a proportionate share of the personal property replacement funds which such township receives.

Any municipality or township, other than a municipality with a population in excess of 500,000, which receives an allocation based in whole or in part on personal property taxes which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the Illinois Local Library Act and which was previously required to be paid over to a public library shall immediately pay over to that library a proportionate share of the personal property tax replacement funds which such municipality or township receives; provided that if such a public library has converted to a library organized under The Illinois Public Library District Act, regardless of whether such conversion has occurred on, after or before January 1, 1988, such proportionate share shall be immediately paid over to the library district which maintains and operates the library. However, any library that has converted prior to January 1, 1988, and which hitherto has not received the personal property tax replacement funds, shall receive such funds commencing on January 1, 1988.

Any township which receives an allocation based in whole or in part on personal property taxes which it levied pursuant to Section 1c of the Public Graveyards Act and which taxes were previously required to be paid over to or used for such public cemetery or cemeteries shall immediately pay over to or use for such public cemetery or cemeteries a proportionate share of the personal property tax replacement funds which the township receives.

Any taxing district which receives an allocation based in whole or in part upon personal property taxes which it levied for another governmental body or school district in Cook County in 1976 or for another governmental body or school district in the remainder of the State in 1977 shall immediately pay over to that governmental body or school district the amount of personal property replacement funds which such governmental body or school district would receive directly under the provisions of paragraph (2) of this Section, had it levied its own taxes.

(1) The portion of the Personal Property Tax Replacement Fund required to be distributed as of the time allocation is required to be made shall be the amount available in such Fund as of the time allocation is required to be made.

The amount available for distribution shall be the total amount in the fund at such time minus the necessary administrative and other authorized expenses as limited by the appropriation and the amount determined by: (a) \$2.8 million for fiscal year 1981; (b) for fiscal year 1982, .54% of the funds distributed from the fund during the preceding fiscal year; (c) for fiscal year 1983 through fiscal year 1988, .54% of the funds distributed from the fund during the preceding fiscal year less .02% of such fund for fiscal year 1983 and less .02% of such funds for each fiscal year thereafter; (d) for fiscal year 1989 through fiscal year 2011 no more than 105% of the actual administrative expenses of the prior fiscal year; (e) for fiscal year 2012 and beyond, a sufficient amount to pay (i) stipends, additional compensation, salary reimbursements, and other amounts directed to be paid out of this Fund for local officials as authorized or required by statute and (ii) ~~no more than 105% of the actual administrative expenses of the prior fiscal year, including payment~~ of the ordinary and contingent expenses of the Property Tax Appeal Board and payment of the expenses of the Department of Revenue incurred in administering the collection and distribution of moneys paid into the Fund; (f) for fiscal years 2012 and 2013 only, a sufficient amount to pay stipends, additional compensation, salary reimbursements, and other amounts directed to be paid out of this Fund for regional offices and officials as authorized or required by statute; or (g) for fiscal years 2018 through 2020 ~~and 2019~~ only, a sufficient amount to pay amounts directed to be paid out of this Fund for public community college base operating grants and local health protection grants to certified local health departments as authorized or required by appropriation or statute. Such portion of the fund shall be determined after the transfer into the General Revenue Fund due to refunds, if any, paid from the General Revenue Fund during the preceding quarter. If at any time, for any reason, there is insufficient amount in the Personal Property Tax Replacement Fund for payments for regional offices and officials or local officials or payment of costs of administration or for transfers due to refunds at the end of any particular month, the amount of such insufficiency shall be carried over for the purposes of payments for regional offices and officials, local

officials, transfers into the General Revenue Fund, and costs of administration to the following month or months. Net replacement revenue held, and defined above, shall be transferred by the Treasurer and Comptroller to the Personal Property Tax Replacement Fund within 10 days of such certification.

(2) Each quarterly allocation shall first be apportioned in the following manner: 51.65% for taxing districts in Cook County and 48.35% for taxing districts in the remainder of the State.

The Personal Property Replacement Ratio of each taxing district outside Cook County shall be the ratio which the Tax Base of that taxing district bears to the Downstate Tax Base. The Tax Base of each taxing district outside of Cook County is the personal property tax collections for that taxing district for the 1977 tax year. The Downstate Tax Base is the personal property tax collections for all taxing districts in the State outside of Cook County for the 1977 tax year. The Department of Revenue shall have authority to review for accuracy and completeness the personal property tax collections for each taxing district outside Cook County for the 1977 tax year.

The Personal Property Replacement Ratio of each Cook County taxing district shall be the ratio which the Tax Base of that taxing district bears to the Cook County Tax Base. The Tax Base of each Cook County taxing district is the personal property tax collections for that taxing district for the 1976 tax year. The Cook County Tax Base is the personal property tax collections for all taxing districts in Cook County for the 1976 tax year. The Department of Revenue shall have authority to review for accuracy and completeness the personal property tax collections for each taxing district within Cook County for the 1976 tax year.

For all purposes of this Section 12, amounts paid to a taxing district for such tax years as may be applicable by a foreign corporation under the provisions of Section 7-202 of the Public Utilities Act, as amended, shall be deemed to be personal property taxes collected by such taxing district for such tax years as may be applicable. The Director shall determine from the Illinois Commerce Commission, for any tax year as may be applicable, the amounts so paid by any such foreign corporation to any and all taxing districts. The Illinois Commerce Commission shall furnish such information to the Director. For all purposes of this Section 12, the Director shall deem such amounts to be collected personal property taxes of each such taxing district for the applicable tax year or years.

Taxing districts located both in Cook County and in one or more other counties shall receive both a Cook County allocation and a Downstate allocation determined in the same way as all other taxing districts.

If any taxing district in existence on July 1, 1979 ceases to exist, or discontinues its operations, its Tax Base shall thereafter be deemed to be zero. If the powers, duties and obligations of the discontinued taxing district are assumed by another taxing district, the Tax Base of the discontinued taxing district shall be added to the Tax Base of the taxing district assuming such powers, duties and obligations.

If two or more taxing districts in existence on July 1, 1979, or a successor or successors thereto shall consolidate into one taxing district, the Tax Base of such consolidated taxing district shall be the sum of the Tax Bases of each of the taxing districts which have consolidated.

If a single taxing district in existence on July 1, 1979, or a successor or successors thereto shall be divided into two or more separate taxing districts, the tax base of the taxing district so divided shall be allocated to each of the resulting taxing districts in proportion to the then current equalized assessed value of each resulting taxing district.

If a portion of the territory of a taxing district is disconnected and annexed to another taxing district of the same type, the Tax Base of the taxing district from which disconnection was made shall be reduced in proportion to the then current equalized assessed value of the disconnected territory as compared with the then current equalized assessed value within the entire territory of the taxing district prior to disconnection, and the amount of such reduction shall be added to the Tax Base of the taxing district to which annexation is made.

If a community college district is created after July 1, 1979, beginning on the effective date of this amendatory Act of 1995, its Tax Base shall be 3.5% of the sum of the personal property tax collected for the 1977 tax year within the territorial jurisdiction of the district.

The amounts allocated and paid to taxing districts pursuant to the provisions of this amendatory Act of 1979 shall be deemed to be substitute revenues for the revenues derived from taxes imposed on personal property pursuant to the provisions of the "Revenue Act of 1939" or "An Act for the assessment and taxation of private car line companies", approved July 22, 1943, as amended, or Section 414 of the Illinois Insurance Code, prior to the abolition of such taxes and shall be used for the same purposes as the revenues derived from ad valorem taxes on real estate.

Monies received by any taxing districts from the Personal Property Tax Replacement Fund shall be first applied toward payment of the proportionate amount of debt service which was previously levied and collected from extensions against personal property on bonds outstanding as of December 31, 1978 and

next applied toward payment of the proportionate share of the pension or retirement obligations of the taxing district which were previously levied and collected from extensions against personal property. For each such outstanding bond issue, the County Clerk shall determine the percentage of the debt service which was collected from extensions against real estate in the taxing district for 1978 taxes payable in 1979, as related to the total amount of such levies and collections from extensions against both real and personal property. For 1979 and subsequent years' taxes, the County Clerk shall levy and extend taxes against the real estate of each taxing district which will yield the said percentage or percentages of the debt service on such outstanding bonds. The balance of the amount necessary to fully pay such debt service shall constitute a first and prior lien upon the monies received by each such taxing district through the Personal Property Tax Replacement Fund and shall be first applied or set aside for such purpose. In counties having fewer than 3,000,000 inhabitants, the amendments to this paragraph as made by this amendatory Act of 1980 shall be first applicable to 1980 taxes to be collected in 1981. (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

Section 5-50. The Illinois Coal Technology Development Assistance Act is amended by changing Section 3 as follows:

(30 ILCS 730/3) (from Ch. 96 1/2, par. 8203)

Sec. 3. Transfers to Coal Technology Development Assistance Fund.

(a) As soon as may be practicable after the first day of each month, the Department of Revenue shall certify to the Treasurer an amount equal to 1/64 of the revenue realized from the tax imposed by the Electricity Excise Tax Law, Section 2 of the Public Utilities Revenue Act, Section 2 of the Messages Tax Act, and Section 2 of the Gas Revenue Tax Act, during the preceding month. Upon receipt of the certification, the Treasurer shall transfer the amount shown on such certification from the General Revenue Fund to the Coal Technology Development Assistance Fund, which is hereby created as a special fund in the State treasury, except that no transfer shall be made in any month in which the Fund has reached the following balance:

(1) ~~(Blank). \$7,000,000 during fiscal year 1994.~~

(2) ~~(Blank). \$8,500,000 during fiscal year 1995.~~

(3) ~~(Blank). \$10,000,000 during fiscal years 1996 and 1997.~~

(4) ~~(Blank). During fiscal year 1998 through fiscal year 2004, an amount equal to the sum of \$10,000,000 plus additional moneys deposited into the Coal Technology Development Assistance Fund from the Renewable Energy Resources and Coal Technology Development Assistance Charge under Section 6.5 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997.~~

(5) ~~(Blank). During fiscal year 2005, an amount equal to the sum of \$7,000,000 plus additional moneys deposited into the Coal Technology Development Assistance Fund from the Renewable Energy Resources and Coal Technology Development Assistance Charge under Section 6.5 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997.~~

(6) ~~Expect as otherwise provided in subsection (b), during~~ During fiscal year 2006 and each fiscal year thereafter, an amount equal to the sum of

\$10,000,000 plus additional moneys deposited into the Coal Technology Development Assistance Fund from the Renewable Energy Resources and Coal Technology Development Assistance Charge under Section 6.5 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997.

(b) During fiscal ~~years~~ year 2019 ~~and 2020~~ only, the Treasurer shall make no transfers from the General Revenue Fund to the Coal Technology Development Assistance Fund.

(Source: P.A. 99-78, eff. 7-20-15; 100-587, eff. 6-4-18.)

Section 5-55. The Downstate Public Transportation Act is amended by changing Section 2-3 as follows: (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 2/32 (beginning July 1, 2005, 3/32) of the net revenue realized from the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Use Tax Act, and the Service Use Tax Act from persons incurring municipal or county retailers' or service occupation tax liability for the benefit of any municipality or county located wholly within the boundaries of each participant, other than any Metro-East Transit District participant certified pursuant to subsection (c) of this Section during the preceding month, except that the Department shall pay into the Downstate Public Transportation Fund 2/32 (beginning July 1, 2005, 3/32) of 80% of the net

revenue realized under the State tax Acts named above within any municipality or county located wholly within the boundaries of each participant, other than any Metro-East participant, for tax periods beginning on or after January 1, 1990. Net revenue realized for a month shall be the revenue collected by the State pursuant to such Acts during the previous month from persons incurring municipal or county retailers' or service occupation tax liability for the benefit of any municipality or county located wholly within the boundaries of a participant, less the amount paid out during that same month as refunds or credit memoranda to taxpayers for overpayment of liability under such Acts for the benefit of any municipality or county located wholly within the boundaries of a participant.

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

(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 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 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 is required annually to cause a total of 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 1/32 being deposited into the Metro-East Public Transportation Fund after July 1, 1989, or 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.

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

(b-6) As soon as possible after the first day of each month, beginning July 1, 2008, upon certification by 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 Madison County under the State Tax Acts specified in subsection (a) of this Section and provided further that, beginning July 1, 2008, the provisions of subsection (b) shall no longer apply with respect to such tax receipts from Madison County.

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

(b-7) Beginning July 1, 2018, notwithstanding the other provisions of this Section, instead of the Comptroller making monthly transfers from the General Revenue Fund to the Downstate Public Transportation Fund, the Department of Revenue shall deposit the designated fraction of the net revenue realized from collections under the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Use Tax Act, and the Service Use Tax Act directly into the Downstate Public Transportation Fund.

(c) The Department shall certify to the Downstate 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, beginning in fiscal year 2009 the General Assembly shall appropriate an amount from the Downstate Public Transportation Fund equal to the sum total funds projected to be paid to the participants pursuant to Section 2-7. If the General Assembly fails to make appropriations sufficient to cover the amounts projected to be paid pursuant to Section 2-7, this Act shall

constitute an irrevocable and continuing appropriation from the Downstate Public Transportation Fund of all amounts necessary for those purposes.

(e) ~~(Blank). Notwithstanding anything in this Section to the contrary, amounts transferred from the General Revenue Fund to the Downstate Public Transportation Fund pursuant to this Section shall not exceed \$169,000,000 in State fiscal year 2012.~~

~~(f) (Blank). For State fiscal year 2018 only, notwithstanding any provision of law to the contrary, the total amount of revenue and deposits under this Section attributable to revenues realized during State fiscal year 2018 shall be reduced by 10%.~~

~~(g) (Blank). For State fiscal year 2019 only, notwithstanding any provision of law to the contrary, the total amount of revenue and deposits under this Section attributable to revenues realized during State fiscal year 2019 shall be reduced by 5%.~~

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

(Source: P.A. 100-23, eff. 7-6-17; 100-363, eff. 7-1-18; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18.)

Section 5-60. The Illinois Income Tax Act is amended by changing Section 901 as follows:

(35 ILCS 5/901) (from Ch. 120, par. 9-901)

Sec. 901. Collection authority.

(a) In general. The Department shall collect the taxes imposed by this Act. The Department shall collect certified past due child support amounts under Section 2505-650 of the Department of Revenue Law of the Civil Administrative Code of Illinois. Except as provided in subsections (b), (c), (e), (f), (g), and (h) of this Section, money collected pursuant to subsections (a) and (b) of Section 201 of this Act shall be paid into the General Revenue Fund in the State treasury; money collected pursuant to subsections (c) and (d) of Section 201 of this Act shall be paid into the Personal Property Tax Replacement Fund, a special fund in the State Treasury; and money collected under Section 2505-650 of the Department of Revenue Law of the Civil Administrative Code of Illinois shall be paid into the Child Support Enforcement Trust Fund, a special fund outside the State Treasury, or to the State Disbursement Unit established under Section 10-26 of the Illinois Public Aid Code, as directed by the Department of Healthcare and Family Services.

(b) Local Government Distributive Fund. ~~Beginning August 1, 1969, and continuing through June 30, 1994, the Treasurer shall transfer each month from the General Revenue Fund to a special fund in the State treasury, to be known as the "Local Government Distributive Fund", an amount equal to 1/12 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1994, and continuing through June 30, 1995, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to 1/11 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1995 and continuing through January 31, 2011, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the net of (i) 1/10 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act during the preceding month (ii) minus, beginning July 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning July 1, 2004, zero. Beginning February 1, 2011, and continuing through January 31, 2015, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 6% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 5% individual income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 6.86% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning February 1, 2015 and continuing through July 31, 2017, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 8% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 3.75% individual income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 9.14% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 5.25% corporate income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning August 1, 2017, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 6.06% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 4.95%~~

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individual income tax rate after July 1, 2017) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 6.85% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after July 1, 2017) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Net revenue realized for a month shall be defined as the revenue from the tax imposed by subsections (a) and (b) of Section 201 of this Act which is deposited in the General Revenue Fund, the Education Assistance Fund, the Income Tax Surcharge Local Government Distributive Fund, the Fund for the Advancement of Education, and the Commitment to Human Services Fund during the month minus the amount paid out of the General Revenue Fund in State warrants during that same month as refunds to taxpayers for overpayment of liability under the tax imposed by subsections (a) and (b) of Section 201 of this Act.

Notwithstanding any provision of law to the contrary, beginning on July 6, 2017 (the effective date of Public Act 100-23), those amounts required under this subsection (b) to be transferred by the Treasurer into the Local Government Distributive Fund from the General Revenue Fund shall be directly deposited into the Local Government Distributive Fund as the revenue is realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act.

~~For State fiscal year 2018 only, notwithstanding any provision of law to the contrary, the total amount of revenue and deposits under this Section attributable to revenues realized during State fiscal year 2018 shall be reduced by 10%.~~

~~For State fiscal year 2019 only, notwithstanding any provision of law to the contrary, the total amount of revenue and deposits under this Section attributable to revenues realized during State fiscal year 2019 shall be reduced by 5%.~~

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

(c) Deposits Into Income Tax Refund Fund.

(1) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. ~~The Department shall deposit 6% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999 through 2001, the Annual Percentage shall be 7.1%. For fiscal year 2003, the Annual Percentage shall be 8%. For fiscal year 2004, the Annual Percentage shall be 11.7%. Upon the effective date of Public Act 93-839 (July 30, 2004), the Annual Percentage shall be 10% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 9.75%. For fiscal year 2007, the Annual Percentage shall be 9.75%. For fiscal year 2008, the Annual Percentage shall be 7.75%. For fiscal year 2009, the Annual Percentage shall be 9.75%. For fiscal year 2010, the Annual Percentage shall be 9.75%. For fiscal year 2011, the Annual Percentage shall be 8.75%. For fiscal year 2012, the Annual Percentage shall be 8.75%. For fiscal year 2013, the Annual Percentage shall be 9.75%. For fiscal year 2014, the Annual Percentage shall be 9.5%. For fiscal year 2015, the Annual Percentage shall be 10%. For fiscal year 2018, the Annual Percentage shall be 9.8%. For fiscal year 2019, the Annual Percentage shall be 9.7%. For fiscal year 2020, the Annual Percentage shall be 9.5%.~~ For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, minus the amounts transferred into the Income Tax Refund Fund from the Tobacco Settlement Recovery Fund, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 7.6%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(2) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. ~~The Department shall deposit 18% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual~~

Percentage. For fiscal years 1999, 2000, and 2001, the Annual Percentage shall be 19%. For fiscal year 2003, the Annual Percentage shall be 27%. For fiscal year 2004, the Annual Percentage shall be 32%. Upon the effective date of Public Act 93-839 (July 30, 2004), the Annual Percentage shall be 24% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 20%. For fiscal year 2007, the Annual Percentage shall be 17.5%. For fiscal year 2008, the Annual Percentage shall be 15.5%. For fiscal year 2009, the Annual Percentage shall be 17.5%. For fiscal year 2010, the Annual Percentage shall be 17.5%. For fiscal year 2011, the Annual Percentage shall be 17.5%. For fiscal year 2012, the Annual Percentage shall be 17.5%. For fiscal year 2013, the Annual Percentage shall be 14%. For fiscal year 2014, the Annual Percentage shall be 13.4%. For fiscal year 2015, the Annual Percentage shall be 14%. For fiscal year 2018, the Annual Percentage shall be 17.5%. For fiscal year 2019, the Annual Percentage shall be 15.5%. For fiscal year 2020, the Annual Percentage shall be 14.25%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 23%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(3) The Comptroller shall order transferred and the Treasurer shall transfer from the Tobacco Settlement Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000 in January, 2001, (ii) \$35,000,000 in January, 2002, and (iii) \$35,000,000 in January, 2003.
(d) Expenditures from Income Tax Refund Fund.

(1) Beginning January 1, 1989, money in the Income Tax Refund Fund shall be expended exclusively for the purpose of paying refunds resulting from overpayment of tax liability under Section 201 of this Act and for making transfers pursuant to this subsection (d).

(2) The Director shall order payment of refunds resulting from overpayment of tax liability under Section 201 of this Act from the Income Tax Refund Fund only to the extent that amounts collected pursuant to Section 201 of this Act and transfers pursuant to this subsection (d) and item (3) of subsection (c) have been deposited and retained in the Fund.

(3) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the Personal Property Tax Replacement Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year over the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year.

(4) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Personal Property Tax Replacement Fund to the Income Tax Refund Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year over the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year.

(4.5) As soon as possible after the end of fiscal year 1999 and of each fiscal year thereafter, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the General Revenue Fund any surplus remaining in the Income Tax Refund Fund as of the end of such fiscal year; excluding for fiscal years 2000, 2001, and 2002 amounts attributable to transfers under item (3) of subsection (c) less refunds resulting from the earned income tax credit.

(5) This Act shall constitute an irrevocable and continuing appropriation from the Income Tax Refund Fund for the purpose of paying refunds upon the order of the Director in accordance with the provisions of this Section.

(e) Deposits into the Education Assistance Fund and the Income Tax Surcharge Local Government Distributive Fund. On July 1, 1991, and thereafter, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 7.3% into the Education Assistance Fund in the State Treasury. Beginning July 1, 1991, and continuing through January 31, 1993, of the amounts collected pursuant to subsections (a) and (b) of

Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 3.0% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning February 1, 1993 and continuing through June 30, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 4.4% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning July 1, 1993, and continuing through June 30, 1994, of the amounts collected under subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 1.475% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury.

(f) Deposits into the Fund for the Advancement of Education. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, into the Fund for the Advancement of Education:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (f) on or after the effective date of the reduction.

(g) Deposits into the Commitment to Human Services Fund. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, into the Commitment to Human Services Fund:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (g) on or after the effective date of the reduction.

(h) Deposits into the Tax Compliance and Administration Fund. Beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department, an amount equal to 1/12 of 5% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department from the tax imposed by subsections (a), (b), (c), and (d) of Section 201 of this Act, net of deposits into the Income Tax Refund Fund made from those cash receipts.

(Source: P.A. 99-78, eff. 7-20-15; 100-22, eff. 7-6-17; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-621, eff. 7-20-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-8-19.)

Section 5-65. The Regional Transportation Authority Act is amended by changing Section 4.09 as follows:

(70 ILCS 3615/4.09) (from Ch. 111 2/3, par. 704.09)

Sec. 4.09. Public Transportation Fund and the Regional Transportation Authority Occupation and Use Tax Replacement Fund.

(a)(1) Except as otherwise provided in paragraph (4), 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 to be known as the Public Transportation Fund an amount equal to 25% of the net revenue, before the deduction of the serviceman and retailer discounts pursuant to Section 9 of the Service Occupation Tax Act and Section 3 of the Retailers' Occupation Tax Act, realized from any tax imposed by the Authority pursuant to Sections 4.03 and 4.03.1 and 25% of the amounts deposited into the Regional Transportation Authority tax fund created by Section 4.03 of this Act, from the County and Mass Transit District Fund as provided in Section 6z-20 of the State Finance Act and 25% of the amounts deposited into the Regional Transportation Authority Occupation and Use Tax Replacement Fund from the State and Local Sales Tax Reform Fund as provided in Section 6z-17 of the State Finance Act. On the first day of the month following the date that the Department receives revenues from increased taxes under Section 4.03(m) as authorized by ~~Public Act 95-708 this amendatory Act of the 95th General Assembly~~, in lieu of the transfers authorized in the preceding sentence, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Public Transportation Fund an amount equal to 25% of the net revenue, before the deduction of the serviceman and retailer discounts pursuant to Section 9 of the Service Occupation Tax Act and Section 3

of the Retailers' Occupation Tax Act, realized from (i) 80% of the proceeds of any tax imposed by the Authority at a rate of 1.25% in Cook County, (ii) 75% of the proceeds of any tax imposed by the Authority at the rate of 1% in Cook County, and (iii) one-third of the proceeds of any tax imposed by the Authority at the rate of 0.75% in the Counties of DuPage, Kane, Lake, McHenry, and Will, all pursuant to Section 4.03, and 25% of the net revenue realized from any tax imposed by the Authority pursuant to Section 4.03.1, and 25% of the amounts deposited into the Regional Transportation Authority tax fund created by Section 4.03 of this Act from the County and Mass Transit District Fund as provided in Section 6z-20 of the State Finance Act, and 25% of the amounts deposited into the Regional Transportation Authority Occupation and Use Tax Replacement Fund from the State and Local Sales Tax Reform Fund as provided in Section 6z-17 of the State Finance Act. As used in this Section, net revenue realized for a month shall be the revenue collected by the State pursuant to Sections 4.03 and 4.03.1 during the previous month from within the metropolitan region, less the amount paid out during that same month as refunds to taxpayers for overpayment of liability in the metropolitan region under Sections 4.03 and 4.03.1.

Notwithstanding any provision of law to the contrary, beginning on July 6, 2017 (the effective date of Public Act 100-23) ~~this amendatory Act of the 100th General Assembly~~, those amounts required under this paragraph (1) of subsection (a) to be transferred by the Treasurer into the Public Transportation Fund from the General Revenue Fund shall be directly deposited into the Public Transportation Fund as the revenues are realized from the taxes indicated.

(2) Except as otherwise provided in paragraph (4), on February 1, 2009 (the first day of the month following the effective date of Public Act 95-708) ~~this amendatory Act of the 95th General Assembly~~ and each month thereafter, upon certification by the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Public Transportation Fund an amount equal to 5% of the net revenue, before the deduction of the serviceman and retailer discounts pursuant to Section 9 of the Service Occupation Tax Act and Section 3 of the Retailers' Occupation Tax Act, realized from any tax imposed by the Authority pursuant to Sections 4.03 and 4.03.1 and certified by the Department of Revenue under Section 4.03(n) of this Act to be paid to the Authority and 5% of the amounts deposited into the Regional Transportation Authority tax fund created by Section 4.03 of this Act from the County and Mass Transit District Fund as provided in Section 6z-20 of the State Finance Act, and 5% of the amounts deposited into the Regional Transportation Authority Occupation and Use Tax Replacement Fund from the State and Local Sales Tax Reform Fund as provided in Section 6z-17 of the State Finance Act, and 5% of the revenue realized by the Chicago Transit Authority as financial assistance from the City of Chicago from the proceeds of any tax imposed by the City of Chicago under Section 8-3-19 of the Illinois Municipal Code.

Notwithstanding any provision of law to the contrary, beginning on July 6, 2017 (the effective date of Public Act 100-23), those amounts required under this paragraph (2) of subsection (a) to be transferred by the Treasurer into the Public Transportation Fund from the General Revenue Fund shall be directly deposited into the Public Transportation Fund as the revenues are realized from the taxes indicated.

(3) Except as otherwise provided in paragraph (4), as soon as possible after the first day of January, 2009 and each month thereafter, upon certification of the Department of Revenue with respect to the taxes collected under Section 4.03, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Public Transportation Fund an amount equal to 25% of the net revenue, before the deduction of the serviceman and retailer discounts pursuant to Section 9 of the Service Occupation Tax Act and Section 3 of the Retailers' Occupation Tax Act, realized from (i) 20% of the proceeds of any tax imposed by the Authority at a rate of 1.25% in Cook County, (ii) 25% of the proceeds of any tax imposed by the Authority at the rate of 1% in Cook County, and (iii) one-third of the proceeds of any tax imposed by the Authority at the rate of 0.75% in the Counties of DuPage, Kane, Lake, McHenry, and Will, all pursuant to Section 4.03, and the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Public Transportation Fund (iv) an amount equal to 25% of the revenue realized by the Chicago Transit Authority as financial assistance from the City of Chicago from the proceeds of any tax imposed by the City of Chicago under Section 8-3-19 of the Illinois Municipal Code.

Notwithstanding any provision of law to the contrary, beginning on July 6, 2017 (the effective date of Public Act 100-23), those amounts required under this paragraph (3) of subsection (a) to be transferred by the Treasurer into the Public Transportation Fund from the General Revenue Fund shall be directly deposited into the Public Transportation Fund as the revenues are realized from the taxes indicated.

(4) Notwithstanding any provision of law to the contrary, of the transfers to be made under paragraphs (1), (2), and (3) of this subsection (a) from the General Revenue Fund to the Public Transportation Fund, the first \$150,000,000 ~~\$100,000,000~~ that would have otherwise been transferred from the General Revenue

Fund shall be transferred from the Road Fund. The remaining balance of such transfers shall be made from the General Revenue Fund.

(5) ~~(Blank). For State fiscal year 2018 only, notwithstanding any provision of law to the contrary, the total amount of revenue and deposits under this subsection (a) attributable to revenues realized during State fiscal year 2018 shall be reduced by 10%.~~

~~(6) (Blank). For State fiscal year 2019 only, notwithstanding any provision of law to the contrary, the total amount of revenue and deposits under this Section attributable to revenues realized during State fiscal year 2019 shall be reduced by 5%.~~

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

(b)(1) All moneys deposited in the Public Transportation Fund and the Regional Transportation Authority Occupation and Use Tax Replacement Fund, whether deposited pursuant to this Section or otherwise, are allocated to the Authority, except for amounts appropriated to the Office of the Executive Inspector General as authorized by subsection (h) of Section 4.03.3 and amounts transferred to the Audit Expense Fund pursuant to Section 6z-27 of the State Finance Act. The Comptroller, as soon as possible after each monthly transfer provided in this Section and after each deposit into the Public Transportation Fund, shall order the Treasurer to pay to the Authority out of the Public Transportation Fund the amount so transferred or deposited. Any Additional State Assistance and Additional Financial Assistance paid to the Authority under this Section shall be expended by the Authority for its purposes as provided in this Act. The balance of the amounts paid to the Authority from the Public Transportation Fund shall be expended by the Authority as provided in Section 4.03.3. The Comptroller, as soon as possible after each deposit into the Regional Transportation Authority Occupation and Use Tax Replacement Fund provided in this Section and Section 6z-17 of the State Finance Act, shall order the Treasurer to pay to the Authority out of the Regional Transportation Authority Occupation and Use Tax Replacement Fund the amount so deposited. Such amounts paid to the Authority may be expended by it for its purposes as provided in this Act. The provisions directing the distributions from the Public Transportation Fund and the Regional Transportation Authority Occupation and Use Tax Replacement Fund provided for in this Section shall constitute an irrevocable and continuing appropriation of all amounts as provided herein. The State Treasurer and State Comptroller are hereby authorized and directed to make distributions as provided in this Section. (2) Provided, however, no moneys deposited under subsection (a) of this Section shall be paid from the Public Transportation Fund to the Authority or its assignee for any fiscal year until the Authority has certified to the Governor, the Comptroller, and the Mayor of the City of Chicago that it has adopted for that fiscal year an Annual Budget and Two-Year Financial Plan meeting the requirements in Section 4.01(b).

(c) In recognition of the efforts of the Authority to enhance the mass transportation facilities under its control, the State shall provide financial assistance ("Additional State Assistance") in excess of the amounts transferred to the Authority from the General Revenue Fund under subsection (a) of this Section. Additional State Assistance shall be calculated as provided in subsection (d), but shall in no event exceed the following specified amounts with respect to the following State fiscal years:

1990	\$5,000,000;
1991	\$5,000,000;
1992	\$10,000,000;
1993	\$10,000,000;
1994	\$20,000,000;
1995	\$30,000,000;
1996	\$40,000,000;
1997	\$50,000,000;
1998	\$55,000,000; and
each year thereafter	\$55,000,000.

(c-5) The State shall provide financial assistance ("Additional Financial Assistance") in addition to the Additional State Assistance provided by subsection (c) and the amounts transferred to the Authority from the General Revenue Fund under subsection (a) of this Section. Additional Financial Assistance provided by this subsection shall be calculated as provided in subsection (d), but shall in no event exceed the following specified amounts with respect to the following State fiscal years:

2000	\$0;
2001	\$16,000,000;
2002	\$35,000,000;
2003	\$54,000,000;

2004	\$73,000,000;
2005	\$93,000,000; and
each year thereafter	\$100,000,000.

(d) Beginning with State fiscal year 1990 and continuing for each State fiscal year thereafter, the Authority shall annually certify to the State Comptroller and State Treasurer, separately with respect to each of subdivisions (g)(2) and (g)(3) of Section 4.04 of this Act, the following amounts:

(1) The amount necessary and required, during the State fiscal year with respect to which the certification is made, to pay its obligations for debt service on all outstanding bonds or notes issued by the Authority under subdivisions (g)(2) and (g)(3) of Section 4.04 of this Act.

(2) An estimate of the amount necessary and required to pay its obligations for debt service for any bonds or notes which the Authority anticipates it will issue under subdivisions (g)(2) and (g)(3) of Section 4.04 during that State fiscal year.

(3) Its debt service savings during the preceding State fiscal year from refunding or advance refunding of bonds or notes issued under subdivisions (g)(2) and (g)(3) of Section 4.04.

(4) The amount of interest, if any, earned by the Authority during the previous State fiscal year on the proceeds of bonds or notes issued pursuant to subdivisions (g)(2) and (g)(3) of Section 4.04, other than refunding or advance refunding bonds or notes.

The certification shall include a specific schedule of debt service payments, including the date and amount of each payment for all outstanding bonds or notes and an estimated schedule of anticipated debt service for all bonds and notes it intends to issue, if any, during that State fiscal year, including the estimated date and estimated amount of each payment.

Immediately upon the issuance of bonds for which an estimated schedule of debt service payments was prepared, the Authority shall file an amended certification with respect to item (2) above, to specify the actual schedule of debt service payments, including the date and amount of each payment, for the remainder of the State fiscal year.

On the first day of each month of the State fiscal year in which there are bonds outstanding with respect to which the certification is made, the State Comptroller shall order transferred and the State Treasurer shall transfer from the Road Fund to the Public Transportation Fund the Additional State Assistance and Additional Financial Assistance in an amount equal to the aggregate of (i) one-twelfth of the sum of the amounts certified under items (1) and (3) above less the amount certified under item (4) above, plus (ii) the amount required to pay debt service on bonds and notes issued during the fiscal year, if any, divided by the number of months remaining in the fiscal year after the date of issuance, or some smaller portion as may be necessary under subsection (c) or (c-5) of this Section for the relevant State fiscal year, plus (iii) any cumulative deficiencies in transfers for prior months, until an amount equal to the sum of the amounts certified under items (1) and (3) above, plus the actual debt service certified under item (2) above, less the amount certified under item (4) above, has been transferred; except that these transfers are subject to the following limits:

(A) In no event shall the total transfers in any State fiscal year relating to outstanding bonds and notes issued by the Authority under subdivision (g)(2) of Section 4.04 exceed the lesser of the annual maximum amount specified in subsection (c) or the sum of the amounts certified under items (1) and (3) above, plus the actual debt service certified under item (2) above, less the amount certified under item (4) above, with respect to those bonds and notes.

(B) In no event shall the total transfers in any State fiscal year relating to outstanding bonds and notes issued by the Authority under subdivision (g)(3) of Section 4.04 exceed the lesser of the annual maximum amount specified in subsection (c-5) or the sum of the amounts certified under items (1) and (3) above, plus the actual debt service certified under item (2) above, less the amount certified under item (4) above, with respect to those bonds and notes.

The term "outstanding" does not include bonds or notes for which refunding or advance refunding bonds or notes have been issued.

(e) Neither Additional State Assistance nor Additional Financial Assistance may be pledged, either directly or indirectly as general revenues of the Authority, as security for any bonds issued by the Authority. The Authority may not assign its right to receive Additional State Assistance or Additional Financial Assistance, or direct payment of Additional State Assistance or Additional Financial Assistance, to a trustee or any other entity for the payment of debt service on its bonds.

(f) The certification required under subsection (d) with respect to outstanding bonds and notes of the Authority shall be filed as early as practicable before the beginning of the State fiscal year to which it relates. The certification shall be revised as may be necessary to accurately state the debt service requirements of the Authority.

(g) Within 6 months of the end of each fiscal year, the Authority shall determine:

(i) whether the aggregate of all system generated revenues for public transportation in the metropolitan region which is provided by, or under grant or purchase of service contracts with, the Service Boards equals 50% of the aggregate of all costs of providing such public transportation. "System generated revenues" include all the proceeds of fares and charges for services provided, contributions received in connection with public transportation from units of local government other than the Authority, except for contributions received by the Chicago Transit Authority from a real estate transfer tax imposed under subsection (i) of Section 8-3-19 of the Illinois Municipal Code, and from the State pursuant to subsection (i) of Section 2705-305 of the Department of Transportation Law (~~20 ILCS 2705/2705-305~~), and all other revenues properly included consistent with generally accepted accounting principles but may not include: the proceeds from any borrowing, and, beginning with the 2007 fiscal year, all revenues and receipts, including but not limited to fares and grants received from the federal, State or any unit of local government or other entity, derived from providing ADA paratransit service pursuant to Section 2.30 of the Regional Transportation Authority Act. "Costs" include all items properly included as operating costs consistent with generally accepted accounting principles, including administrative costs, but do not include: depreciation; payment of principal and interest on bonds, notes or other evidences of obligations for borrowed money of the Authority; payments with respect to public transportation facilities made pursuant to subsection (b) of Section 2.20; any payments with respect to rate protection contracts, credit enhancements or liquidity agreements made under Section 4.14; any other cost as to which it is reasonably expected that a cash expenditure will not be made; costs for passenger security including grants, contracts, personnel, equipment and administrative expenses, except in the case of the Chicago Transit Authority, in which case the term does not include costs spent annually by that entity for protection against crime as required by Section 27a of the Metropolitan Transit Authority Act; the costs of Debt Service paid by the Chicago Transit Authority, as defined in Section 12c of the Metropolitan Transit Authority Act, or bonds or notes issued pursuant to that Section; the payment by the Commuter Rail Division of debt service on bonds issued pursuant to Section 3B.09; expenses incurred by the Suburban Bus Division for the cost of new public transportation services funded from grants pursuant to Section 2.01e of this ~~amendatory Act of the 95th General Assembly~~ for a period of 2 years from the date of initiation of each such service; costs as exempted by the Board for projects pursuant to Section 2.09 of this Act; or, beginning with the 2007 fiscal year, expenses related to providing ADA paratransit service pursuant to Section 2.30 of the Regional Transportation Authority Act; or in fiscal years 2008 through 2012 inclusive, costs in the amount of \$200,000,000 in fiscal year 2008, reducing by \$40,000,000 in each fiscal year thereafter until this exemption is eliminated. If said system generated revenues are less than 50% of said costs, the Board shall remit an amount equal to the amount of the deficit to the State. The Treasurer shall deposit any such payment in the Road Fund; and

(ii) whether, beginning with the 2007 fiscal year, the aggregate of all fares charged and received for ADA paratransit services equals the system generated ADA paratransit services revenue recovery ratio percentage of the aggregate of all costs of providing such ADA paratransit services.

(h) If the Authority makes any payment to the State under paragraph (g), the Authority shall reduce the amount provided to a Service Board from funds transferred under paragraph (a) in proportion to the amount by which that Service Board failed to meet its required system generated revenues recovery ratio. A Service Board which is affected by a reduction in funds under this paragraph shall submit to the Authority concurrently with its next due quarterly report a revised budget incorporating the reduction in funds. The revised budget must meet the criteria specified in clauses (i) through (vi) of Section 4.11(b)(2). The Board shall review and act on the revised budget as provided in Section 4.11(b)(3).

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

Section 5-70. The School Code is amended by changing Sections 3-16 and 18-8.15 and by adding Sections 2-3.176, 2-3.177, 2-3.178, and 14-7.02c as follows:

(105 ILCS 5/2-3.176 new)

Sec. 2-3.176. Transfers to Governor's Grant Fund. In addition to any other transfers that may be provided for by law, the State Comptroller shall direct and the State Treasurer shall transfer from the SBE Federal Agency Services Fund and the SBE Federal Department of Education Fund into the Governor's Grant Fund such amounts as may be directed in writing by the State Board of Education.

(105 ILCS 5/2-3.177 new)

Sec. 2-3.177. Transfers to DHS Special Purposes Trust Fund. In addition to any other transfers that may be provided for by law, the State Comptroller shall direct and the State Treasurer shall transfer from the SBE Federal Agency Services Fund into the DHS Special Purposes Trust Fund such amounts as may be directed in writing by the State Board of Education.

(105 ILCS 5/2-3.178 new)

Sec. 2-3.178. K-12 Recycling Grant Program.

(a) Subject to appropriation, the State Board of Education must create and administer the K-12 Recycling Grant Program to provide grants to school districts for the implementation or improvement of a school's recycling program. A school district that applies for a grant under this Section may receive a maximum grant amount of \$5,000 per school in that district and may use the grant funds only to implement or improve a school's recycling program.

(b) The State Board must adopt rules to implement this Section.

(105 ILCS 5/3-16)

Sec. 3-16. Grants to alternative schools, safe schools, and alternative learning opportunities programs. The State Board of Education, subject to appropriation, shall award grants to alternative schools, safe schools, and alternative learning opportunities programs operated by a regional office of education. For fiscal year 2018, to ~~to~~ calculate grant amounts to the programs operated by regional offices of education, the State Board shall calculate an amount equal to the greater of the regional program's best 3 months of average daily attendance for the 2016-2017 school year or the average of the best 3 months of average daily attendance for the 2014-2015 school year through the 2016-2017 school year, multiplied by the amount of \$6,119. For fiscal year 2019, to calculate grant amounts to the programs operated by regional offices of education, the State Board shall calculate an amount equal to the greater of the regional program's best 3 months of average daily attendance for the 2017-2018 school year or the average of the best 3 months of average daily attendance for the 2015-2016 school year through the 2017-2018 school year, multiplied by the amount of \$6,119. These amounts ~~This amount~~ shall be termed the "Regional Program Increased Enrollment Recognition". If the amount of the Regional Program Increased Enrollment Recognition is greater than the amount of the regional office of education program's Base Funding Minimum for fiscal year 2018 or fiscal year 2019, calculated under Section 18-8.15, then the State Board of Education shall pay the regional program a grant equal to the difference between the regional program's Regional Program Increased Enrollment Recognition and the Base Funding Minimum for fiscal year 2018 or fiscal year 2019, respectively. Nothing in this Section shall be construed to alter any payments or calculations under Section 18-8.15.

(Source: P.A. 100-587, eff. 6-4-18.)

(105 ILCS 5/14-7.02c new)

Sec. 14-7.02c. Private therapeutic day schools; student enrollment data. The Illinois Purchased Care Review Board must accept amended student enrollment data from special education private therapeutic day schools that have specialized contractual agreements with a school district having a population exceeding 500,000 inhabitants in the 2016-2017 and 2017-2018 school years. The amended student enrollment data must be based on actual monthly enrollment days where a student placed by the school district was formally enrolled and began to receive services through the last date he or she was formally exited from the therapeutic day school. All enrolled days must be confined to the official beginning and end dates of the therapeutic day school's official calendar on file with the State Board of Education. In no instance may the amended enrollment be further reduced to account for student absences. A school district having a population of 500,000 or less inhabitants must be billed at the per diem rate approved by the Illinois Purchased Care Review Board based on days enrolled as prescribed in Section 900.330 of Title 89 of the Illinois Administrative Code.

(105 ILCS 5/18-8.15)

Sec. 18-8.15. Evidence-based funding for student success for the 2017-2018 and subsequent school years.

(a) General provisions.

(1) The purpose of this Section is to ensure that, by June 30, 2027 and beyond, this State has a kindergarten through grade 12 public education system with the capacity to ensure the educational development of all persons to the limits of their capacities in accordance with Section 1 of Article X of the Constitution of the State of Illinois. To accomplish that objective, this Section creates a method of funding public education that is evidence-based; is sufficient to ensure every student receives a meaningful opportunity to learn irrespective of race, ethnicity, sexual orientation, gender, or community-income level; and is sustainable and predictable. When fully funded under this Section, every school shall have the resources, based on what the evidence indicates is needed, to:

(A) provide all students with a high quality education that offers the academic, enrichment, social and emotional support, technical, and career-focused programs that will allow them to become competitive workers, responsible parents, productive citizens of this State, and active members of our national democracy;

(B) ensure all students receive the education they need to graduate from high school

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with the skills required to pursue post-secondary education and training for a rewarding career;

(C) reduce, with a goal of eliminating, the achievement gap between at-risk and non-at-risk students by raising the performance of at-risk students and not by reducing standards; and

(D) ensure this State satisfies its obligation to assume the primary responsibility to fund public education and simultaneously relieve the disproportionate burden placed on local property taxes to fund schools.

(2) The evidence-based funding formula under this Section shall be applied to all Organizational Units in this State. The evidence-based funding formula outlined in this Act is based on the formula outlined in Senate Bill 1 of the 100th General Assembly, as passed by both legislative chambers. As further defined and described in this Section, there are 4 major components of the evidence-based funding model:

(A) First, the model calculates a unique adequacy target for each Organizational

Unit in this State that considers the costs to implement research-based activities, the unit's student demographics, and regional wage difference.

(B) Second, the model calculates each Organizational Unit's local capacity, or the amount each Organizational Unit is assumed to contribute towards its adequacy target from local resources.

(C) Third, the model calculates how much funding the State currently contributes to the Organizational Unit, and adds that to the unit's local capacity to determine the unit's overall current adequacy of funding.

(D) Finally, the model's distribution method allocates new State funding to those Organizational Units that are least well-funded, considering both local capacity and State funding, in relation to their adequacy target.

(3) An Organizational Unit receiving any funding under this Section may apply those funds to any fund so received for which that Organizational Unit is authorized to make expenditures by law.

(4) As used in this Section, the following terms shall have the meanings ascribed in this paragraph (4):

"Adequacy Target" is defined in paragraph (1) of subsection (b) of this Section.

"Adjusted EAV" is defined in paragraph (4) of subsection (d) of this Section.

"Adjusted Local Capacity Target" is defined in paragraph (3) of subsection (c) of this Section.

"Adjusted Operating Tax Rate" means a tax rate for all Organizational Units, for which the State Superintendent shall calculate and subtract for the Operating Tax Rate a transportation rate based on total expenses for transportation services under this Code, as reported on the most recent Annual Financial Report in Pupil Transportation Services, function 2550 in both the Education and Transportation funds and functions 4110 and 4120 in the Transportation fund, less any corresponding fiscal year State of Illinois scheduled payments excluding net adjustments for prior years for regular, vocational, or special education transportation reimbursement pursuant to Section 29-5 or subsection (b) of Section 14-13.01 of this Code divided by the Adjusted EAV. If an Organizational Unit's corresponding fiscal year State of Illinois scheduled payments excluding net adjustments for prior years for regular, vocational, or special education transportation reimbursement pursuant to Section 29-5 or subsection (b) of Section 14-13.01 of this Code exceed the total transportation expenses, as defined in this paragraph, no transportation rate shall be subtracted from the Operating Tax Rate.

"Allocation Rate" is defined in paragraph (3) of subsection (g) of this Section.

"Alternative School" means a public school that is created and operated by a regional superintendent of schools and approved by the State Board.

"Applicable Tax Rate" is defined in paragraph (1) of subsection (d) of this Section.

"Assessment" means any of those benchmark, progress monitoring, formative, diagnostic, and other assessments, in addition to the State accountability assessment, that assist teachers' needs in understanding the skills and meeting the needs of the students they serve.

"Assistant principal" means a school administrator duly endorsed to be employed as an assistant principal in this State.

"At-risk student" means a student who is at risk of not meeting the Illinois Learning Standards or not graduating from elementary or high school and who demonstrates a need for vocational support or social services beyond that provided by the regular school program. All students included in an Organizational Unit's Low-Income Count, as well as all English learner and disabled students attending the Organizational Unit, shall be considered at-risk students under this Section.

"Average Student Enrollment" or "ASE" for fiscal year 2018 means, for an Organizational

Unit, the greater of the average number of students (grades K through 12) reported to the State Board as enrolled in the Organizational Unit on October 1 in the immediately preceding school year, plus the pre-kindergarten students who receive special education services of 2 or more hours a day as reported to the State Board on December 1 in the immediately preceding school year, or the average number of students (grades K through 12) reported to the State Board as enrolled in the Organizational Unit on October 1, plus the pre-kindergarten students who receive special education services of 2 or more hours a day as reported to the State Board on December 1, for each of the immediately preceding 3 school years. For fiscal year 2019 and each subsequent fiscal year, "Average Student Enrollment" or "ASE" means, for an Organizational Unit, the greater of the average number of students (grades K through 12) reported to the State Board as enrolled in the Organizational Unit on October 1 and March 1 in the immediately preceding school year, plus the pre-kindergarten students who receive special education services as reported to the State Board on October 1 and March 1 in the immediately preceding school year, or the average number of students (grades K through 12) reported to the State Board as enrolled in the Organizational Unit on October 1 and March 1, plus the pre-kindergarten students who receive special education services as reported to the State Board on October 1 and March 1, for each of the immediately preceding 3 school years. For the purposes of this definition, "enrolled in the Organizational Unit" means the number of students reported to the State Board who are enrolled in schools within the Organizational Unit that the student attends or would attend if not placed or transferred to another school or program to receive needed services. For the purposes of calculating "ASE", all students, grades K through 12, excluding those attending kindergarten for a half day and students attending an alternative education program operated by a regional office of education or intermediate service center, shall be counted as 1.0. All students attending kindergarten for a half day shall be counted as 0.5, unless in 2017 by June 15 or by March 1 in subsequent years, the school district reports to the State Board of Education the intent to implement full-day kindergarten district-wide for all students, then all students attending kindergarten shall be counted as 1.0. Special education pre-kindergarten students shall be counted as 0.5 each. If the State Board does not collect or has not collected both an October 1 and March 1 enrollment count by grade or a December 1 collection of special education pre-kindergarten students as of the effective date of this amendatory Act of the 100th General Assembly, it shall establish such collection for all future years. For any year where a count by grade level was collected only once, that count shall be used as the single count available for computing a 3-year average ASE. Funding for programs operated by a regional office of education or an intermediate service center must be calculated using the evidence-based funding formula under this Section for the 2019-2020 school year and each subsequent school year until separate adequacy formulas are developed and adopted for each type of program. ASE for a program operated by a regional office of education or an intermediate service center must be determined by the March 1 enrollment for the program. For the 2019-2020 school year, the ASE used in the calculation must be the first-year ASE and, in that year only, the assignment of students served by a regional office of education or intermediate service center shall not result in a reduction of the March enrollment for any school district. For the 2020-2021 school year, the ASE must be the greater of the current-year ASE or the 2-year average ASE. Beginning with the 2021-2022 school year, the ASE must be the greater of the current-year ASE or the 3-year average ASE. School districts shall submit the data for the ASE calculation to the State Board within 45 days of the dates required in this Section for submission of enrollment data in order for it to be included in the ASE calculation. For fiscal year 2018 only, the ASE calculation shall include only enrollment taken on October 1.

"Base Funding Guarantee" is defined in paragraph (10) of subsection (g) of this Section.

"Base Funding Minimum" is defined in subsection (e) of this Section.

"Base Tax Year" means the property tax levy year used to calculate the Budget Year allocation of primary State aid.

"Base Tax Year's Extension" means the product of the equalized assessed valuation utilized by the county clerk in the Base Tax Year multiplied by the limiting rate as calculated by the county clerk and defined in PTELL.

"Bilingual Education Allocation" means the amount of an Organizational Unit's final Adequacy Target attributable to bilingual education divided by the Organizational Unit's final Adequacy Target, the product of which shall be multiplied by the amount of new funding received pursuant to this Section. An Organizational Unit's final Adequacy Target attributable to bilingual education shall include all additional investments in English learner students' adequacy elements.

"Budget Year" means the school year for which primary State aid is calculated and awarded under this Section.

"Central office" means individual administrators and support service personnel charged

with managing the instructional programs, business and operations, and security of the Organizational Unit.

"Comparable Wage Index" or "CWI" means a regional cost differentiation metric that measures systemic, regional variations in the salaries of college graduates who are not educators. The CWI utilized for this Section shall, for the first 3 years of Evidence-Based Funding implementation, be the CWI initially developed by the National Center for Education Statistics, as most recently updated by Texas A & M University. In the fourth and subsequent years of Evidence-Based Funding implementation, the State Superintendent shall re-determine the CWI using a similar methodology to that identified in the Texas A & M University study, with adjustments made no less frequently than once every 5 years.

"Computer technology and equipment" means computers servers, notebooks, network equipment, copiers, printers, instructional software, security software, curriculum management courseware, and other similar materials and equipment.

"Computer technology and equipment investment allocation" means the final Adequacy Target amount of an Organizational Unit assigned to Tier 1 or Tier 2 in the prior school year attributable to the additional \$285.50 per student computer technology and equipment investment grant divided by the Organizational Unit's final Adequacy Target, the result of which shall be multiplied by the amount of new funding received pursuant to this Section. An Organizational Unit assigned to a Tier 1 or Tier 2 final Adequacy Target attributable to the received computer technology and equipment investment grant shall include all additional investments in computer technology and equipment adequacy elements.

"Core subject" means mathematics; science; reading, English, writing, and language arts; history and social studies; world languages; and subjects taught as Advanced Placement in high schools.

"Core teacher" means a regular classroom teacher in elementary schools and teachers of a core subject in middle and high schools.

"Core Intervention teacher (tutor)" means a licensed teacher providing one-on-one or small group tutoring to students struggling to meet proficiency in core subjects.

"CPPRT" means corporate personal property replacement tax funds paid to an Organizational Unit during the calendar year one year before the calendar year in which a school year begins, pursuant to "An Act in relation to the abolition of ad valorem personal property tax and the replacement of revenues lost thereby, and amending and repealing certain Acts and parts of Acts in connection therewith", certified August 14, 1979, as amended (Public Act 81-1st S.S.-1).

"EAV" means equalized assessed valuation as defined in paragraph (2) of subsection (d) of this Section and calculated in accordance with paragraph (3) of subsection (d) of this Section.

"ECT" means the Bureau of Labor Statistics' national employment cost index for civilian workers in educational services in elementary and secondary schools on a cumulative basis for the 12-month calendar year preceding the fiscal year of the Evidence-Based Funding calculation.

"EIS Data" means the employment information system data maintained by the State Board on educators within Organizational Units.

"Employee benefits" means health, dental, and vision insurance offered to employees of an Organizational Unit, the costs associated with statutorily required payment of the normal cost of the Organizational Unit's teacher pensions, Social Security employer contributions, and Illinois Municipal Retirement Fund employer contributions.

"English learner" or "EL" means a child included in the definition of "English learners" under Section 14C-2 of this Code participating in a program of transitional bilingual education or a transitional program of instruction meeting the requirements and program application procedures of Article 14C of this Code. For the purposes of collecting the number of EL students enrolled, the same collection and calculation methodology as defined above for "ASE" shall apply to English learners, with the exception that EL student enrollment shall include students in grades pre-kindergarten through 12.

"Essential Elements" means those elements, resources, and educational programs that have been identified through academic research as necessary to improve student success, improve academic performance, close achievement gaps, and provide for other per student costs related to the delivery and leadership of the Organizational Unit, as well as the maintenance and operations of the unit, and which are specified in paragraph (2) of subsection (b) of this Section.

"Evidence-Based Funding" means State funding provided to an Organizational Unit pursuant to this Section.

"Extended day" means academic and enrichment programs provided to students outside the regular school day before and after school or during non-instructional times during the school day.

"Extension Limitation Ratio" means a numerical ratio in which the numerator is the Base Tax Year's Extension and the denominator is the Preceding Tax Year's Extension.

"Final Percent of Adequacy" is defined in paragraph (4) of subsection (f) of this Section.

"Final Resources" is defined in paragraph (3) of subsection (f) of this Section.

"Full-time equivalent" or "FTE" means the full-time equivalency compensation for staffing the relevant position at an Organizational Unit.

"Funding Gap" is defined in paragraph (1) of subsection (g).

"Guidance counselor" means a licensed guidance counselor who provides guidance and counseling support for students within an Organizational Unit.

"Hybrid District" means a partial elementary unit district created pursuant to Article 11E of this Code.

"Instructional assistant" means a core or special education, non-licensed employee who assists a teacher in the classroom and provides academic support to students.

"Instructional facilitator" means a qualified teacher or licensed teacher leader who facilitates and coaches continuous improvement in classroom instruction; provides instructional support to teachers in the elements of research-based instruction or demonstrates the alignment of instruction with curriculum standards and assessment tools; develops or coordinates instructional programs or strategies; develops and implements training; chooses standards-based instructional materials; provides teachers with an understanding of current research; serves as a mentor, site coach, curriculum specialist, or lead teacher; or otherwise works with fellow teachers, in collaboration, to use data to improve instructional practice or develop model lessons.

"Instructional materials" means relevant instructional materials for student instruction, including, but not limited to, textbooks, consumable workbooks, laboratory equipment, library books, and other similar materials.

"Laboratory School" means a public school that is created and operated by a public university and approved by the State Board.

"Librarian" means a teacher with an endorsement as a library information specialist or another individual whose primary responsibility is overseeing library resources within an Organizational Unit.

"Limiting rate for Hybrid Districts" means the combined elementary school and high school limited rates.

"Local Capacity" is defined in paragraph (1) of subsection (c) of this Section.

"Local Capacity Percentage" is defined in subparagraph (A) of paragraph (2) of subsection (c) of this Section.

"Local Capacity Ratio" is defined in subparagraph (B) of paragraph (2) of subsection (c) of this Section.

"Local Capacity Target" is defined in paragraph (2) of subsection (c) of this Section.

"Low-Income Count" means, for an Organizational Unit in a fiscal year, the higher of the average number of students for the prior school year or the immediately preceding 3 school years who, as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services), are eligible for at least one of the following low income programs: Medicaid, the Children's Health Insurance Program, TANF, or the Supplemental Nutrition Assistance Program, excluding pupils who are eligible for services provided by the Department of Children and Family Services. Until such time that grade level low-income populations become available, grade level low-income populations shall be determined by applying the low-income percentage to total student enrollments by grade level. The low-income percentage is determined by dividing the Low-Income Count by the Average Student Enrollment. The low-income percentage for programs operated by a regional office of education or an intermediate service center must be set to the weighted average of the low-income percentages of all of the school districts in the service region. The weighted low-income percentage is the result of multiplying the low-income percentage of each school district served by the regional office of education or intermediate service center by each school district's Average Student Enrollment, summarizing those products and dividing the total by the total Average Student Enrollment for the service region.

"Maintenance and operations" means custodial services, facility and ground maintenance, facility operations, facility security, routine facility repairs, and other similar services and functions.

"Minimum Funding Level" is defined in paragraph (9) of subsection (g) of this Section.

"New Property Tax Relief Pool Funds" means, for any given fiscal year, all State funds appropriated under Section 2-3.170 of the School Code.

"New State Funds" means, for a given school year, all State funds appropriated for Evidence-Based Funding in excess of the amount needed to fund the Base Funding Minimum for all Organizational Units in that school year.

"Net State Contribution Target" means, for a given school year, the amount of State funds that would be necessary to fully meet the Adequacy Target of an Operational Unit minus the Preliminary Resources available to each unit.

"Nurse" means an individual licensed as a certified school nurse, in accordance with the rules established for nursing services by the State Board, who is an employee of and is available to provide health care-related services for students of an Organizational Unit.

"Operating Tax Rate" means the rate utilized in the previous year to extend property taxes for all purposes, except, Bond and Interest, Summer School, Rent, Capital Improvement, and Vocational Education Building purposes. For Hybrid Districts, the Operating Tax Rate shall be the combined elementary and high school rates utilized in the previous year to extend property taxes for all purposes, except, Bond and Interest, Summer School, Rent, Capital Improvement, and Vocational Education Building purposes.

"Organizational Unit" means a Laboratory School or any public school district that is recognized as such by the State Board and that contains elementary schools typically serving kindergarten through 5th grades, middle schools typically serving 6th through 8th grades, or high schools typically serving 9th through 12th grades, a program established under Section 2-3.66 or 2-3.41, or a program operated by a regional office of education or an intermediate service center under Article 13A or 13B. The General Assembly acknowledges that the actual grade levels served by a particular Organizational Unit may vary slightly from what is typical.

"Organizational Unit CWI" is determined by calculating the CWI in the region and original county in which an Organizational Unit's primary administrative office is located as set forth in this paragraph, provided that if the Organizational Unit CWI as calculated in accordance with this paragraph is less than 0.9, the Organizational Unit CWI shall be increased to 0.9. Each county's current CWI value shall be adjusted based on the CWI value of that county's neighboring Illinois counties, to create a "weighted adjusted index value". This shall be calculated by summing the CWI values of all of a county's adjacent Illinois counties and dividing by the number of adjacent Illinois counties, then taking the weighted value of the original county's CWI value and the adjacent Illinois county average. To calculate this weighted value, if the number of adjacent Illinois counties is greater than 2, the original county's CWI value will be weighted at 0.25 and the adjacent Illinois county average will be weighted at 0.75. If the number of adjacent Illinois counties is 2, the original county's CWI value will be weighted at 0.33 and the adjacent Illinois county average will be weighted at 0.66. The greater of the county's current CWI value and its weighted adjusted index value shall be used as the Organizational Unit CWI.

"Preceding Tax Year" means the property tax levy year immediately preceding the Base Tax Year.

"Preceding Tax Year's Extension" means the product of the equalized assessed valuation utilized by the county clerk in the Preceding Tax Year multiplied by the Operating Tax Rate.

"Preliminary Percent of Adequacy" is defined in paragraph (2) of subsection (f) of this Section.

"Preliminary Resources" is defined in paragraph (2) of subsection (f) of this Section.

"Principal" means a school administrator duly endorsed to be employed as a principal in this State.

"Professional development" means training programs for licensed staff in schools, including, but not limited to, programs that assist in implementing new curriculum programs, provide data focused or academic assessment data training to help staff identify a student's weaknesses and strengths, target interventions, improve instruction, encompass instructional strategies for English learner, gifted, or at-risk students, address inclusivity, cultural sensitivity, or implicit bias, or otherwise provide professional support for licensed staff.

"Prototypical" means 450 special education pre-kindergarten and kindergarten through grade 5 students for an elementary school, 450 grade 6 through 8 students for a middle school, and 600 grade 9 through 12 students for a high school.

"PTELL" means the Property Tax Extension Limitation Law.

"PTELL EAV" is defined in paragraph (4) of subsection (d) of this Section.

"Pupil support staff" means a nurse, psychologist, social worker, family liaison personnel, or other staff member who provides support to at-risk or struggling students.

"Real Receipts" is defined in paragraph (1) of subsection (d) of this Section.

"Regionalization Factor" means, for a particular Organizational Unit, the figure derived by dividing the Organizational Unit CWI by the Statewide Weighted CWI.

"School site staff" means the primary school secretary and any additional clerical personnel assigned to a school.

"Special education" means special educational facilities and services, as defined in Section 14-1.08 of this Code.

"Special Education Allocation" means the amount of an Organizational Unit's final Adequacy Target attributable to special education divided by the Organizational Unit's final Adequacy Target, the product of which shall be multiplied by the amount of new funding received pursuant to this Section. An Organizational Unit's final Adequacy Target attributable to special education shall include all special education investment adequacy elements.

"Specialist teacher" means a teacher who provides instruction in subject areas not included in core subjects, including, but not limited to, art, music, physical education, health, driver education, career-technical education, and such other subject areas as may be mandated by State law or provided by an Organizational Unit.

"Specially Funded Unit" means an Alternative School, safe school, Department of Juvenile Justice school, special education cooperative or entity recognized by the State Board as a special education cooperative, State-approved charter school, or alternative learning opportunities program that received direct funding from the State Board during the 2016-2017 school year through any of the funding sources included within the calculation of the Base Funding Minimum or Glenwood Academy.

"Supplemental Grant Funding" means supplemental general State aid funding received by an Organization Unit during the 2016-2017 school year pursuant to subsection (H) of Section 18-8.05 of this Code (now repealed).

"State Adequacy Level" is the sum of the Adequacy Targets of all Organizational Units.

"State Board" means the State Board of Education.

"State Superintendent" means the State Superintendent of Education.

"Statewide Weighted CWI" means a figure determined by multiplying each Organizational Unit CWI times the ASE for that Organizational Unit creating a weighted value, summing all Organizational Unit's weighted values, and dividing by the total ASE of all Organizational Units, thereby creating an average weighted index.

"Student activities" means non-credit producing after-school programs, including, but not limited to, clubs, bands, sports, and other activities authorized by the school board of the Organizational Unit.

"Substitute teacher" means an individual teacher or teaching assistant who is employed by an Organizational Unit and is temporarily serving the Organizational Unit on a per diem or per period-assignment basis replacing another staff member.

"Summer school" means academic and enrichment programs provided to students during the summer months outside of the regular school year.

"Supervisory aide" means a non-licensed staff member who helps in supervising students of an Organizational Unit, but does so outside of the classroom, in situations such as, but not limited to, monitoring hallways and playgrounds, supervising lunchrooms, or supervising students when being transported in buses serving the Organizational Unit.

"Target Ratio" is defined in paragraph (4) of subsection (g).

"Tier 1", "Tier 2", "Tier 3", and "Tier 4" are defined in paragraph (3) of subsection (g).

"Tier 1 Aggregate Funding", "Tier 2 Aggregate Funding", "Tier 3 Aggregate Funding", and "Tier 4 Aggregate Funding" are defined in paragraph (1) of subsection (g).

(b) Adequacy Target calculation.

(1) Each Organizational Unit's Adequacy Target is the sum of the Organizational Unit's cost of providing Essential Elements, as calculated in accordance with this subsection (b), with the salary amounts in the Essential Elements multiplied by a Regionalization Factor calculated pursuant to paragraph (3) of this subsection (b).

(2) The Essential Elements are attributable on a pro rata basis related to defined subgroups of the ASE of each Organizational Unit as specified in this paragraph (2), with investments and FTE positions pro rata funded based on ASE counts in excess or less than the thresholds set forth in this paragraph (2). The method for calculating attributable pro rata costs and the defined subgroups thereto are as follows:

(A) Core class size investments. Each Organizational Unit shall receive the funding required to support that number of FTE core teacher positions as is needed to keep the respective class sizes of the Organizational Unit to the following maximum numbers:

(i) For grades kindergarten through 3, the Organizational Unit shall receive

funding required to support one FTE core teacher position for every 15 Low-Income Count students in those grades and one FTE core teacher position for every 20 non-Low-Income Count students in those grades.

(ii) For grades 4 through 12, the Organizational Unit shall receive funding required to support one FTE core teacher position for every 20 Low-Income Count students in those grades and one FTE core teacher position for every 25 non-Low-Income Count students in those grades.

The number of non-Low-Income Count students in a grade shall be determined by subtracting the Low-Income students in that grade from the ASE of the Organizational Unit for that grade.

(B) Specialist teacher investments. Each Organizational Unit shall receive the funding needed to cover that number of FTE specialist teacher positions that correspond to the following percentages:

(i) if the Organizational Unit operates an elementary or middle school, then 20.00% of the number of the Organizational Unit's core teachers, as determined under subparagraph (A) of this paragraph (2); and

(ii) if such Organizational Unit operates a high school, then 33.33% of the number of the Organizational Unit's core teachers.

(C) Instructional facilitator investments. Each Organizational Unit shall receive the funding needed to cover one FTE instructional facilitator position for every 200 combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students of the Organizational Unit.

(D) Core intervention teacher (tutor) investments. Each Organizational Unit shall receive the funding needed to cover one FTE teacher position for each prototypical elementary, middle, and high school.

(E) Substitute teacher investments. Each Organizational Unit shall receive the funding needed to cover substitute teacher costs that is equal to 5.70% of the minimum pupil attendance days required under Section 10-19 of this Code for all full-time equivalent core, specialist, and intervention teachers, school nurses, special education teachers and instructional assistants, instructional facilitators, and summer school and extended-day teacher positions, as determined under this paragraph (2), at a salary rate of 33.33% of the average salary for grade K through 12 teachers and 33.33% of the average salary of each instructional assistant position.

(F) Core guidance counselor investments. Each Organizational Unit shall receive the funding needed to cover one FTE guidance counselor for each 450 combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 5 students, plus one FTE guidance counselor for each 250 grades 6 through 8 ASE middle school students, plus one FTE guidance counselor for each 250 grades 9 through 12 ASE high school students.

(G) Nurse investments. Each Organizational Unit shall receive the funding needed to cover one FTE nurse for each 750 combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students across all grade levels it serves.

(H) Supervisory aide investments. Each Organizational Unit shall receive the funding needed to cover one FTE for each 225 combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 5 students, plus one FTE for each 225 ASE middle school students, plus one FTE for each 200 ASE high school students.

(I) Librarian investments. Each Organizational Unit shall receive the funding needed to cover one FTE librarian for each prototypical elementary school, middle school, and high school and one FTE aide or media technician for every 300 combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students.

(J) Principal investments. Each Organizational Unit shall receive the funding needed to cover one FTE principal position for each prototypical elementary school, plus one FTE principal position for each prototypical middle school, plus one FTE principal position for each prototypical high school.

(K) Assistant principal investments. Each Organizational Unit shall receive the funding needed to cover one FTE assistant principal position for each prototypical elementary school, plus one FTE assistant principal position for each prototypical middle school, plus one FTE assistant principal position for each prototypical high school.

(L) School site staff investments. Each Organizational Unit shall receive the

funding needed for one FTE position for each 225 ASE of pre-kindergarten children with disabilities and all kindergarten through grade 5 students, plus one FTE position for each 225 ASE middle school students, plus one FTE position for each 200 ASE high school students.

(M) Gifted investments. Each Organizational Unit shall receive \$40 per kindergarten through grade 12 ASE.

(N) Professional development investments. Each Organizational Unit shall receive \$125 per student of the combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students for trainers and other professional development-related expenses for supplies and materials.

(O) Instructional material investments. Each Organizational Unit shall receive \$190 per student of the combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students to cover instructional material costs.

(P) Assessment investments. Each Organizational Unit shall receive \$25 per student of the combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students to cover assessment costs.

(Q) Computer technology and equipment investments. Each Organizational Unit shall receive \$285.50 per student of the combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students to cover computer technology and equipment costs. For the 2018-2019 school year and subsequent school years, Organizational Units assigned to Tier 1 and Tier 2 in the prior school year shall receive an additional \$285.50 per student of the combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students to cover computer technology and equipment costs in the Organization Unit's Adequacy Target. The State Board may establish additional requirements for Organizational Unit expenditures of funds received pursuant to this subparagraph (Q), including a requirement that funds received pursuant to this subparagraph (Q) may be used only for serving the technology needs of the district. It is the intent of this amendatory Act of the 100th General Assembly that all Tier 1 and Tier 2 districts receive the addition to their Adequacy Target in the following year, subject to compliance with the requirements of the State Board.

(R) Student activities investments. Each Organizational Unit shall receive the following funding amounts to cover student activities: \$100 per kindergarten through grade 5 ASE student in elementary school, plus \$200 per ASE student in middle school, plus \$675 per ASE student in high school.

(S) Maintenance and operations investments. Each Organizational Unit shall receive \$1,038 per student of the combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 for day-to-day maintenance and operations expenditures, including salary, supplies, and materials, as well as purchased services, but excluding employee benefits. The proportion of salary for the application of a Regionalization Factor and the calculation of benefits is equal to \$352.92.

(T) Central office investments. Each Organizational Unit shall receive \$742 per student of the combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students to cover central office operations, including administrators and classified personnel charged with managing the instructional programs, business and operations of the school district, and security personnel. The proportion of salary for the application of a Regionalization Factor and the calculation of benefits is equal to \$368.48.

(U) Employee benefit investments. Each Organizational Unit shall receive 30% of the total of all salary-calculated elements of the Adequacy Target, excluding substitute teachers and student activities investments, to cover benefit costs. For central office and maintenance and operations investments, the benefit calculation shall be based upon the salary proportion of each investment. If at any time the responsibility for funding the employer normal cost of teacher pensions is assigned to school districts, then that amount certified by the Teachers' Retirement System of the State of Illinois to be paid by the Organizational Unit for the preceding school year shall be added to the benefit investment. For any fiscal year in which a school district organized under Article 34 of this Code is responsible for paying the employer normal cost of teacher pensions, then that amount of its employer normal cost plus the amount for retiree health insurance as certified by the Public School Teachers' Pension and Retirement Fund of Chicago to be paid by the school district for the preceding school year that is statutorily required to cover employer normal costs and the amount for retiree health insurance shall be added to the 30% specified in this subparagraph (U). The Teachers' Retirement System of the State of Illinois and the Public School Teachers' Pension and Retirement

Fund of Chicago shall submit such information as the State Superintendent may require for the calculations set forth in this subparagraph (U).

(V) Additional investments in low-income students. In addition to and not in lieu of all other funding under this paragraph (2), each Organizational Unit shall receive funding based on the average teacher salary for grades K through 12 to cover the costs of:

- (i) one FTE intervention teacher (tutor) position for every 125 Low-Income Count students;
- (ii) one FTE pupil support staff position for every 125 Low-Income Count students;
- (iii) one FTE extended day teacher position for every 120 Low-Income Count students; and
- (iv) one FTE summer school teacher position for every 120 Low-Income Count students.

(W) Additional investments in English learner students. In addition to and not in lieu of all other funding under this paragraph (2), each Organizational Unit shall receive funding based on the average teacher salary for grades K through 12 to cover the costs of:

- (i) one FTE intervention teacher (tutor) position for every 125 English learner students;
- (ii) one FTE pupil support staff position for every 125 English learner students;
- (iii) one FTE extended day teacher position for every 120 English learner students;
- (iv) one FTE summer school teacher position for every 120 English learner students; and
- (v) one FTE core teacher position for every 100 English learner students.

(X) Special education investments. Each Organizational Unit shall receive funding based on the average teacher salary for grades K through 12 to cover special education as follows:

- (i) one FTE teacher position for every 141 combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students;
- (ii) one FTE instructional assistant for every 141 combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students; and
- (iii) one FTE psychologist position for every 1,000 combined ASE of pre-kindergarten children with disabilities and all kindergarten through grade 12 students.

(3) For calculating the salaries included within the Essential Elements, the State Superintendent shall annually calculate average salaries to the nearest dollar using the employment information system data maintained by the State Board, limited to public schools only and excluding special education and vocational cooperatives, schools operated by the Department of Juvenile Justice, and charter schools, for the following positions:

- (A) Teacher for grades K through 8.
- (B) Teacher for grades 9 through 12.
- (C) Teacher for grades K through 12.
- (D) Guidance counselor for grades K through 8.
- (E) Guidance counselor for grades 9 through 12.
- (F) Guidance counselor for grades K through 12.
- (G) Social worker.
- (H) Psychologist.
- (I) Librarian.
- (J) Nurse.
- (K) Principal.
- (L) Assistant principal.

For the purposes of this paragraph (3), "teacher" includes core teachers, specialist and elective teachers, instructional facilitators, tutors, special education teachers, pupil support staff teachers, English learner teachers, extended-day teachers, and summer school teachers. Where specific grade data is not required for the Essential Elements, the average salary for corresponding positions shall apply. For substitute teachers, the average teacher salary for grades K through 12 shall apply.

For calculating the salaries included within the Essential Elements for positions not included within EIS Data, the following salaries shall be used in the first year of implementation of Evidence-Based Funding:

- (i) school site staff, \$30,000; and
- (ii) non-instructional assistant, instructional assistant, library aide, library

media tech, or supervisory aide: \$25,000.

In the second and subsequent years of implementation of Evidence-Based Funding, the amounts in items (i) and (ii) of this paragraph (3) shall annually increase by the ECI.

The salary amounts for the Essential Elements determined pursuant to subparagraphs (A) through (L), (S) and (T), and (V) through (X) of paragraph (2) of subsection (b) of this Section shall be multiplied by a Regionalization Factor.

(c) Local capacity calculation.

(1) Each Organizational Unit's Local Capacity represents an amount of funding it is assumed to contribute toward its Adequacy Target for purposes of the Evidence-Based Funding formula calculation. "Local Capacity" means either (i) the Organizational Unit's Local Capacity Target as calculated in accordance with paragraph (2) of this subsection (c) if its Real Receipts are equal to or less than its Local Capacity Target or (ii) the Organizational Unit's Adjusted Local Capacity, as calculated in accordance with paragraph (3) of this subsection (c) if Real Receipts are more than its Local Capacity Target.

(2) "Local Capacity Target" means, for an Organizational Unit, that dollar amount that is obtained by multiplying its Adequacy Target by its Local Capacity Ratio.

(A) An Organizational Unit's Local Capacity Percentage is the conversion of the Organizational Unit's Local Capacity Ratio, as such ratio is determined in accordance with subparagraph (B) of this paragraph (2), into a cumulative distribution resulting in a percentile ranking to determine each Organizational Unit's relative position to all other Organizational Units in this State. The calculation of Local Capacity Percentage is described in subparagraph (C) of this paragraph (2).

(B) An Organizational Unit's Local Capacity Ratio in a given year is the percentage obtained by dividing its Adjusted EAV or PTELL EAV, whichever is less, by its Adequacy Target, with the resulting ratio further adjusted as follows:

(i) for Organizational Units serving grades kindergarten through 12 and Hybrid Districts, no further adjustments shall be made;

(ii) for Organizational Units serving grades kindergarten through 8, the ratio shall be multiplied by 9/13;

(iii) for Organizational Units serving grades 9 through 12, the Local Capacity Ratio shall be multiplied by 4/13; and

(iv) for an Organizational Unit with a different grade configuration than those specified in items (i) through (iii) of this subparagraph (B), the State Superintendent shall determine a comparable adjustment based on the grades served.

(C) The Local Capacity Percentage is equal to the percentile ranking of the district. Local Capacity Percentage converts each Organizational Unit's Local Capacity Ratio to a cumulative distribution resulting in a percentile ranking to determine each Organizational Unit's relative position to all other Organizational Units in this State. The Local Capacity Percentage cumulative distribution resulting in a percentile ranking for each Organizational Unit shall be calculated using the standard normal distribution of the score in relation to the weighted mean and weighted standard deviation and Local Capacity Ratios of all Organizational Units. If the value assigned to any Organizational Unit is in excess of 90%, the value shall be adjusted to 90%. For Laboratory Schools, the Local Capacity Percentage shall be set at 10% in recognition of the absence of EAV and resources from the public university that are allocated to the Laboratory School. For programs operated by a regional office of education or an intermediate service center, the Local Capacity Percentage must be set at 10% in recognition of the absence of EAV and resources from school districts that are allocated to the regional office of education or intermediate service center. The weighted mean for the Local Capacity Percentage shall be determined by multiplying each Organizational Unit's Local Capacity Ratio times the ASE for the unit creating a weighted value, summing the weighted values of all Organizational Units, and dividing by the total ASE of all Organizational Units. The weighted standard deviation shall be determined by taking the square root of the weighted variance of all Organizational Units' Local Capacity Ratio, where the variance is calculated by squaring the difference between each unit's Local Capacity Ratio and the weighted mean, then multiplying the variance for each unit times the ASE for the unit to create a weighted variance for each unit, then summing all units' weighted variance and dividing by the total ASE of all units.

(D) For any Organizational Unit, the Organizational Unit's Adjusted Local Capacity Target shall be reduced by either (i) the school board's remaining contribution pursuant to paragraph (ii) of subsection (b-4) of Section 16-158 of the Illinois Pension Code in a given year, or (ii) the board

of education's remaining contribution pursuant to paragraph (iv) of subsection (b) of Section 17-129 of the Illinois Pension Code absent the employer normal cost portion of the required contribution and amount allowed pursuant to subdivision (3) of Section 17-142.1 of the Illinois Pension Code in a given year. In the preceding sentence, item (i) shall be certified to the State Board of Education by the Teachers' Retirement System of the State of Illinois and item (ii) shall be certified to the State Board of Education by the Public School Teachers' Pension and Retirement Fund of the City of Chicago.

(3) If an Organizational Unit's Real Receipts are more than its Local Capacity Target, then its Local Capacity shall equal an Adjusted Local Capacity Target as calculated in accordance with this paragraph (3). The Adjusted Local Capacity Target is calculated as the sum of the Organizational Unit's Local Capacity Target and its Real Receipts Adjustment. The Real Receipts Adjustment equals the Organizational Unit's Real Receipts less its Local Capacity Target, with the resulting figure multiplied by the Local Capacity Percentage.

As used in this paragraph (3), "Real Percent of Adequacy" means the sum of an Organizational Unit's Real Receipts, CPPRT, and Base Funding Minimum, with the resulting figure divided by the Organizational Unit's Adequacy Target.

(d) Calculation of Real Receipts, EAV, and Adjusted EAV for purposes of the Local Capacity calculation.

(1) An Organizational Unit's Real Receipts are the product of its Applicable Tax Rate and its Adjusted EAV. An Organizational Unit's Applicable Tax Rate is its Adjusted Operating Tax Rate for property within the Organizational Unit.

(2) The State Superintendent shall calculate the Equalized Assessed Valuation, or EAV, of all taxable property of each Organizational Unit as of September 30 of the previous year in accordance with paragraph (3) of this subsection (d). The State Superintendent shall then determine the Adjusted EAV of each Organizational Unit in accordance with paragraph (4) of this subsection (d), which Adjusted EAV figure shall be used for the purposes of calculating Local Capacity.

(3) To calculate Real Receipts and EAV, the Department of Revenue shall supply to the State Superintendent the value as equalized or assessed by the Department of Revenue of all taxable property of every Organizational Unit, together with (i) the applicable tax rate used in extending taxes for the funds of the Organizational Unit as of September 30 of the previous year and (ii) the limiting rate for all Organizational Units subject to property tax extension limitations as imposed under PTELL.

(A) The Department of Revenue shall add to the equalized assessed value of all taxable property of each Organizational Unit situated entirely or partially within a county that is or was subject to the provisions of Section 15-176 or 15-177 of the Property Tax Code (i) an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 or 15-177 of the Property Tax Code for real property situated in that Organizational Unit exceeds the total amount that would have been allowed in that Organizational Unit if the maximum reduction under Section 15-176 was (I) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (II) \$5,000 in all counties in tax year 2004 and thereafter and (ii) an amount equal to the aggregate amount for the taxable year of all additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. The county clerk of any county that is or was subject to the provisions of Section 15-176 or 15-177 of the Property Tax Code shall annually calculate and certify to the Department of Revenue for each Organizational Unit all homestead exemption amounts under Section 15-176 or 15-177 of the Property Tax Code and all amounts of additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. It is the intent of this subparagraph (A) that if the general homestead exemption for a parcel of property is determined under Section 15-176 or 15-177 of the Property Tax Code rather than Section 15-175, then the calculation of EAV shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under Section 15-176 or 15-177 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code. It is further the intent of this subparagraph (A) that if additional exemptions are allowed under Section 15-175 of the Property Tax Code for owners with a household income of less than \$30,000, then the calculation of EAV shall not be affected by the difference, if any, because of those additional exemptions.

(B) With respect to any part of an Organizational Unit within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, or the Industrial Jobs Recovery Law, Division 74.6 of Article 11 of the

Illinois Municipal Code, no part of the current EAV of real property located in any such project area which is attributable to an increase above the total initial EAV of such property shall be used as part of the EAV of the Organizational Unit, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the EAV of the Organizational Unit, the total initial EAV or the current EAV, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

(B-5) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the real property value, as equalized or assessed by the Department of Revenue, for the district an amount computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% for a district maintaining grades kindergarten through 12, by 2.30% for a district maintaining grades kindergarten through 8, or by 1.05% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subparagraph (B-5).

(C) For Organizational Units that are Hybrid Districts, the State Superintendent shall use the lesser of the adjusted equalized assessed valuation for property within the partial elementary unit district for elementary purposes, as defined in Article 11E of this Code, or the adjusted equalized assessed valuation for property within the partial elementary unit district for high school purposes, as defined in Article 11E of this Code.

(4) An Organizational Unit's Adjusted EAV shall be the average of its EAV over the immediately preceding 3 years or its EAV in the immediately preceding year if the EAV in the immediately preceding year has declined by 10% or more compared to the 3-year average. In the event of Organizational Unit reorganization, consolidation, or annexation, the Organizational Unit's Adjusted EAV for the first 3 years after such change shall be as follows: the most current EAV shall be used in the first year, the average of a 2-year EAV or its EAV in the immediately preceding year if the EAV declines by 10% or more compared to the 2-year average for the second year, and a 3-year average EAV or its EAV in the immediately preceding year if the adjusted EAV declines by 10% or more compared to the 3-year average for the third year. For any school district whose EAV in the immediately preceding year is used in calculations, in the following year, the Adjusted EAV shall be the average of its EAV over the immediately preceding 2 years or the immediately preceding year if that year represents a decline of 10% or more compared to the 2-year average.

"PTELL EAV" means a figure calculated by the State Board for Organizational Units subject to PTELL as described in this paragraph (4) for the purposes of calculating an Organizational Unit's Local Capacity Ratio. Except as otherwise provided in this paragraph (4), the PTELL EAV of an Organizational Unit shall be equal to the product of the equalized assessed valuation last used in the calculation of general State aid under Section 18-8.05 of this Code (now repealed) or Evidence-Based Funding under this Section and the Organizational Unit's Extension Limitation Ratio. If an Organizational Unit has approved or does approve an increase in its limiting rate, pursuant to Section 18-190 of the Property Tax Code, affecting the Base Tax Year, the PTELL EAV shall be equal to the product of the equalized assessed valuation last used in the calculation of general State aid under Section 18-8.05 of this Code (now repealed) or Evidence-Based Funding under this Section multiplied by an amount equal to one plus the percentage increase, if any, in the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor for the 12-month calendar year preceding the Base Tax Year, plus the equalized assessed valuation of new property, annexed property, and recovered tax increment value and minus the equalized assessed valuation of disconnected property.

As used in this paragraph (4), "new property" and "recovered tax increment value" shall have the meanings set forth in the Property Tax Extension Limitation Law.

(e) Base Funding Minimum calculation.

(1) For the 2017-2018 school year, the Base Funding Minimum of an Organizational Unit or a Specially Funded Unit shall be the amount of State funds distributed to the Organizational Unit or Specially Funded Unit during the 2016-2017 school year prior to any adjustments and specified appropriation amounts described in this paragraph (1) from the following Sections, as calculated by the State Superintendent: Section 18-8.05 of this Code (now repealed); Section 5 of Article 224 of Public Act 99-524 (equity grants); Section 14-7.02b of this Code (funding for children requiring special education services); Section 14-13.01 of this Code (special education facilities and staffing), except for reimbursement of the cost of transportation pursuant to Section 14-13.01; Section 14C-12 of this Code (English learners); and Section 18-4.3 of this Code (summer school), based on an appropriation level of

\$13,121,600. For a school district organized under Article 34 of this Code, the Base Funding Minimum also includes (i) the funds allocated to the school district pursuant to Section 1D-1 of this Code attributable to funding programs authorized by the Sections of this Code listed in the preceding sentence; and (ii) the difference between (I) the funds allocated to the school district pursuant to Section 1D-1 of this Code attributable to the funding programs authorized by Section 14-7.02 (non-public special education reimbursement), subsection (b) of Section 14-13.01 (special education transportation), Section 29-5 (transportation), Section 2-3.80 (agricultural education), Section 2-3.66 (truants' alternative education), Section 2-3.62 (educational service centers), and Section 14-7.03 (special education - orphanage) of this Code and Section 15 of the Childhood Hunger Relief Act (free breakfast program) and (II) the school district's actual expenditures for its non-public special education, special education transportation, transportation programs, agricultural education, truants' alternative education, services that would otherwise be performed by a regional office of education, special education orphanage expenditures, and free breakfast, as most recently calculated and reported pursuant to subsection (f) of Section 1D-1 of this Code. The Base Funding Minimum for Glenwood Academy shall be \$625,500. For programs operated by a regional office of education or an intermediate service center, the Base Funding Minimum must be the total amount of State funds allocated to those programs in the 2018-2019 school year and amounts provided pursuant to Article 34 of Public Act 100-586 and Section 3-16 of this Code. All programs established after the effective date of this amendatory Act of the 101st General Assembly and administered by a regional office of education or an intermediate service center must have an initial Base Funding Minimum set to an amount equal to the first-year ASE multiplied by the amount of per pupil funding received in the previous school year by the lowest funded similar existing program type. If the enrollment for a program operated by a regional office of education or an intermediate service center is zero, then it may not receive Base Funding Minimum funds for that program in the next fiscal year, and those funds must be distributed to Organizational Units under subsection (g).

(2) For the 2018-2019 and subsequent school years, the Base Funding Minimum of Organizational Units and Specially Funded Units shall be the sum of (i) the amount of Evidence-Based Funding for the prior school year, (ii) the Base Funding Minimum for the prior school year, and (iii) any amount received by a school district pursuant to Section 7 of Article 97 of Public Act 100-21. (f) Percent of Adequacy and Final Resources calculation.

(1) The Evidence-Based Funding formula establishes a Percent of Adequacy for each Organizational Unit in order to place such units into tiers for the purposes of the funding distribution system described in subsection (g) of this Section. Initially, an Organizational Unit's Preliminary Resources and Preliminary Percent of Adequacy are calculated pursuant to paragraph (2) of this subsection (f). Then, an Organizational Unit's Final Resources and Final Percent of Adequacy are calculated to account for the Organizational Unit's poverty concentration levels pursuant to paragraphs (3) and (4) of this subsection (f).

(2) An Organizational Unit's Preliminary Resources are equal to the sum of its Local Capacity Target, CPPRT, and Base Funding Minimum. An Organizational Unit's Preliminary Percent of Adequacy is the lesser of (i) its Preliminary Resources divided by its Adequacy Target or (ii) 100%.

(3) Except for Specially Funded Units, an Organizational Unit's Final Resources are equal to the sum of its Local Capacity, CPPRT, and Adjusted Base Funding Minimum. The Base Funding Minimum of each Specially Funded Unit shall serve as its Final Resources, except that the Base Funding Minimum for State-approved charter schools shall not include any portion of general State aid allocated in the prior year based on the per capita tuition charge times the charter school enrollment.

(4) An Organizational Unit's Final Percent of Adequacy is its Final Resources divided by its Adequacy Target. An Organizational Unit's Adjusted Base Funding Minimum is equal to its Base Funding Minimum less its Supplemental Grant Funding, with the resulting figure added to the product of its Supplemental Grant Funding and Preliminary Percent of Adequacy.

(g) Evidence-Based Funding formula distribution system.

(1) In each school year under the Evidence-Based Funding formula, each Organizational Unit receives funding equal to the sum of its Base Funding Minimum and the unit's allocation of New State Funds determined pursuant to this subsection (g). To allocate New State Funds, the Evidence-Based Funding formula distribution system first places all Organizational Units into one of 4 tiers in accordance with paragraph (3) of this subsection (g), based on the Organizational Unit's Final Percent of Adequacy. New State Funds are allocated to each of the 4 tiers as follows: Tier 1 Aggregate Funding equals 50% of all New State Funds, Tier 2 Aggregate Funding equals 49% of all New State Funds, Tier 3 Aggregate Funding equals 0.9% of all New State Funds, and Tier 4 Aggregate Funding equals 0.1% of all New State Funds. Each Organizational Unit within Tier 1 or Tier 2 receives an allocation of New

State Funds equal to its tier Funding Gap, as defined in the following sentence, multiplied by the tier's Allocation Rate determined pursuant to paragraph (4) of this subsection (g). For Tier 1, an Organizational Unit's Funding Gap equals the tier's Target Ratio, as specified in paragraph (5) of this subsection (g), multiplied by the Organizational Unit's Adequacy Target, with the resulting amount reduced by the Organizational Unit's Final Resources. For Tier 2, an Organizational Unit's Funding Gap equals the tier's Target Ratio, as described in paragraph (5) of this subsection (g), multiplied by the Organizational Unit's Adequacy Target, with the resulting amount reduced by the Organizational Unit's Final Resources and its Tier 1 funding allocation. To determine the Organizational Unit's Funding Gap, the resulting amount is then multiplied by a factor equal to one minus the Organizational Unit's Local Capacity Target percentage. Each Organizational Unit within Tier 3 or Tier 4 receives an allocation of New State Funds equal to the product of its Adequacy Target and the tier's Allocation Rate, as specified in paragraph (4) of this subsection (g).

(2) To ensure equitable distribution of dollars for all Tier 2 Organizational Units, no Tier 2 Organizational Unit shall receive fewer dollars per ASE than any Tier 3 Organizational Unit. Each Tier 2 and Tier 3 Organizational Unit shall have its funding allocation divided by its ASE. Any Tier 2 Organizational Unit with a funding allocation per ASE below the greatest Tier 3 allocation per ASE shall get a funding allocation equal to the greatest Tier 3 funding allocation per ASE multiplied by the Organizational Unit's ASE. Each Tier 2 Organizational Unit's Tier 2 funding allocation shall be multiplied by the percentage calculated by dividing the original Tier 2 Aggregate Funding by the sum of all Tier 2 Organizational Unit's Tier 2 funding allocation after adjusting districts' funding below Tier 3 levels.

(3) Organizational Units are placed into one of 4 tiers as follows:

(A) Tier 1 consists of all Organizational Units, except for Specially Funded Units, with a Percent of Adequacy less than the Tier 1 Target Ratio. The Tier 1 Target Ratio is the ratio level that allows for Tier 1 Aggregate Funding to be distributed, with the Tier 1 Allocation Rate determined pursuant to paragraph (4) of this subsection (g).

(B) Tier 2 consists of all Tier 1 Units and all other Organizational Units, except for Specially Funded Units, with a Percent of Adequacy of less than 0.90.

(C) Tier 3 consists of all Organizational Units, except for Specially Funded Units, with a Percent of Adequacy of at least 0.90 and less than 1.0.

(D) Tier 4 consists of all Organizational Units with a Percent of Adequacy of at least 1.0.

(4) The Allocation Rates for Tiers 1 through 4 is determined as follows:

(A) The Tier 1 Allocation Rate is 30%.

(B) The Tier 2 Allocation Rate is the result of the following equation: Tier 2 Aggregate Funding, divided by the sum of the Funding Gaps for all Tier 2 Organizational Units, unless the result of such equation is higher than 1.0. If the result of such equation is higher than 1.0, then the Tier 2 Allocation Rate is 1.0.

(C) The Tier 3 Allocation Rate is the result of the following equation: Tier 3 Aggregate Funding, divided by the sum of the Adequacy Targets of all Tier 3 Organizational Units.

(D) The Tier 4 Allocation Rate is the result of the following equation: Tier 4 Aggregate Funding, divided by the sum of the Adequacy Targets of all Tier 4 Organizational Units.

(5) A tier's Target Ratio is determined as follows:

(A) The Tier 1 Target Ratio is the ratio level that allows for Tier 1 Aggregate Funding to be distributed with the Tier 1 Allocation Rate.

(B) The Tier 2 Target Ratio is 0.90.

(C) The Tier 3 Target Ratio is 1.0.

(6) If, at any point, the Tier 1 Target Ratio is greater than 90%, then all Tier 1 funding shall be allocated to Tier 2 and no Tier 1 Organizational Unit's funding may be identified.

(7) In the event that all Tier 2 Organizational Units receive funding at the Tier 2 Target Ratio level, any remaining New State Funds shall be allocated to Tier 3 and Tier 4 Organizational Units.

(8) If any Specially Funded Units, excluding Glenwood Academy, recognized by the State Board do not qualify for direct funding following the implementation of this amendatory Act of the 100th General Assembly from any of the funding sources included within the definition of Base Funding Minimum, the unqualified portion of the Base Funding Minimum shall be transferred to one or more appropriate Organizational Units as determined by the State Superintendent based on the prior year ASE of the Organizational Units.

(8.5) If a school district withdraws from a special education cooperative, the portion

of the Base Funding Minimum that is attributable to the school district may be redistributed to the school district upon withdrawal. The school district and the cooperative must include the amount of the Base Funding Minimum that is to be re-apportioned in their withdrawal agreement and notify the State Board of the change with a copy of the agreement upon withdrawal.

(9) The Minimum Funding Level is intended to establish a target for State funding that will keep pace with inflation and continue to advance equity through the Evidence-Based Funding formula. The target for State funding of New Property Tax Relief Pool Funds is \$50,000,000 for State fiscal year 2019 and subsequent State fiscal years. The Minimum Funding Level is equal to \$350,000,000. In addition to any New State Funds, no more than \$50,000,000 New Property Tax Relief Pool Funds may be counted towards the Minimum Funding Level. If the sum of New State Funds and applicable New Property Tax Relief Pool Funds are less than the Minimum Funding Level, than funding for tiers shall be reduced in the following manner:

(A) First, Tier 4 funding shall be reduced by an amount equal to the difference between the Minimum Funding Level and New State Funds until such time as Tier 4 funding is exhausted.

(B) Next, Tier 3 funding shall be reduced by an amount equal to the difference between the Minimum Funding Level and New State Funds and the reduction in Tier 4 funding until such time as Tier 3 funding is exhausted.

(C) Next, Tier 2 funding shall be reduced by an amount equal to the difference between the Minimum Funding level and new State Funds and the reduction Tier 4 and Tier 3.

(D) Finally, Tier 1 funding shall be reduced by an amount equal to the difference between the Minimum Funding level and New State Funds and the reduction in Tier 2, 3, and 4 funding. In addition, the Allocation Rate for Tier 1 shall be reduced to a percentage equal to the Tier 1 allocation rate set by paragraph (4) of this subsection (g), multiplied by the result of New State Funds divided by the Minimum Funding Level.

(9.5) For State fiscal year 2019 and subsequent State fiscal years, if New State Funds exceed \$300,000,000, then any amount in excess of \$300,000,000 shall be dedicated for purposes of Section 2-3.170 of this Code up to a maximum of \$50,000,000.

(10) In the event of a decrease in the amount of the appropriation for this Section in any fiscal year after implementation of this Section, the Organizational Units receiving Tier 1 and Tier 2 funding, as determined under paragraph (3) of this subsection (g), shall be held harmless by establishing a Base Funding Guarantee equal to the per pupil kindergarten through grade 12 funding received in accordance with this Section in the prior fiscal year. Reductions shall be made to the Base Funding Minimum of Organizational Units in Tier 3 and Tier 4 on a per pupil basis equivalent to the total number of the ASE in Tier 3-funded and Tier 4-funded Organizational Units divided by the total reduction in State funding. The Base Funding Minimum as reduced shall continue to be applied to Tier 3 and Tier 4 Organizational Units and adjusted by the relative formula when increases in appropriations for this Section resume. In no event may State funding reductions to Organizational Units in Tier 3 or Tier 4 exceed an amount that would be less than the Base Funding Minimum established in the first year of implementation of this Section. If additional reductions are required, all school districts shall receive a reduction by a per pupil amount equal to the aggregate additional appropriation reduction divided by the total ASE of all Organizational Units.

(11) The State Superintendent shall make minor adjustments to the distribution formula set forth in this subsection (g) to account for the rounding of percentages to the nearest tenth of a percentage and dollar amounts to the nearest whole dollar.

(h) State Superintendent administration of funding and district submission requirements.

(1) The State Superintendent shall, in accordance with appropriations made by the General Assembly, meet the funding obligations created under this Section.

(2) The State Superintendent shall calculate the Adequacy Target for each Organizational Unit and Net State Contribution Target for each Organizational Unit under this Section. The State Superintendent shall also certify the actual amounts of the New State Funds payable for each eligible Organizational Unit based on the equitable distribution calculation to the unit's treasurer, as soon as possible after such amounts are calculated, including any applicable adjusted charge-off increase. No Evidence-Based Funding shall be distributed within an Organizational Unit without the approval of the unit's school board.

(3) Annually, the State Superintendent shall calculate and report to each Organizational Unit the unit's aggregate financial adequacy amount, which shall be the sum of the Adequacy Target for each Organizational Unit. The State Superintendent shall calculate and report separately for each Organizational Unit the unit's total State funds allocated for its students with disabilities. The State

Superintendent shall calculate and report separately for each Organizational Unit the amount of funding and applicable FTE calculated for each Essential Element of the unit's Adequacy Target.

(4) Annually, the State Superintendent shall calculate and report to each Organizational Unit the amount the unit must expend on special education and bilingual education and computer technology and equipment for Organizational Units assigned to Tier 1 or Tier 2 that received an additional \$285.50 per student computer technology and equipment investment grant to their Adequacy Target pursuant to the unit's Base Funding Minimum, Special Education Allocation, Bilingual Education Allocation, and computer technology and equipment investment allocation.

(5) Moneys distributed under this Section shall be calculated on a school year basis, but paid on a fiscal year basis, with payments beginning in August and extending through June. Unless otherwise provided, the moneys appropriated for each fiscal year shall be distributed in 22 equal payments at least 2 times monthly to each Organizational Unit. The State Board shall publish a yearly distribution schedule at its meeting in June. If moneys appropriated for any fiscal year are distributed other than monthly, the distribution shall be on the same basis for each Organizational Unit.

(6) Any school district that fails, for any given school year, to maintain school as required by law or to maintain a recognized school is not eligible to receive Evidence-Based Funding. In case of non-recognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion that the enrollment in the attendance center or centers bears to the enrollment of the school district. "Recognized school" means any public school that meets the standards for recognition by the State Board. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim that was filed while it was recognized.

(7) School district claims filed under this Section are subject to Sections 18-9 and 18-12 of this Code, except as otherwise provided in this Section.

(8) Each fiscal year, the State Superintendent shall calculate for each Organizational Unit an amount of its Base Funding Minimum and Evidence-Based Funding that shall be deemed attributable to the provision of special educational facilities and services, as defined in Section 14-1.08 of this Code, in a manner that ensures compliance with maintenance of State financial support requirements under the federal Individuals with Disabilities Education Act. An Organizational Unit must use such funds only for the provision of special educational facilities and services, as defined in Section 14-1.08 of this Code, and must comply with any expenditure verification procedures adopted by the State Board.

(9) All Organizational Units in this State must submit annual spending plans by the end of September of each year to the State Board as part of the annual budget process, which shall describe how each Organizational Unit will utilize the Base Minimum Funding and Evidence-Based funding it receives from this State under this Section with specific identification of the intended utilization of Low-Income, English learner, and special education resources. Additionally, the annual spending plans of each Organizational Unit shall describe how the Organizational Unit expects to achieve student growth and how the Organizational Unit will achieve State education goals, as defined by the State Board. The State Superintendent may, from time to time, identify additional requisites for Organizational Units to satisfy when compiling the annual spending plans required under this subsection (h). The format and scope of annual spending plans shall be developed by the State Superintendent in conjunction with the Professional Review Panel. School districts that serve students under Article 14C of this Code shall continue to submit information as required under Section 14C-12 of this Code.

(10) No later than January 1, 2018, the State Superintendent shall develop a 5-year strategic plan for all Organizational Units to help in planning for adequacy funding under this Section. The State Superintendent shall submit the plan to the Governor and the General Assembly, as provided in Section 3.1 of the General Assembly Organization Act. The plan shall include recommendations for:

(A) a framework for collaborative, professional, innovative, and 21st century learning environments using the Evidence-Based Funding model;

(B) ways to prepare and support this State's educators for successful instructional careers;

(C) application and enhancement of the current financial accountability measures, the approved State plan to comply with the federal Every Student Succeeds Act, and the Illinois Balanced Accountability Measures in relation to student growth and elements of the Evidence-Based Funding model; and

(D) implementation of an effective school adequacy funding system based on projected and recommended funding levels from the General Assembly.

(i) Professional Review Panel.

(1) A Professional Review Panel is created to study and review the implementation and effect of the Evidence-Based Funding model under this Section and to recommend continual recalibration and future study topics and modifications to the Evidence-Based Funding model. The Panel shall elect a chairperson and vice chairperson by a majority vote of the Panel and shall advance recommendations based on a majority vote of the Panel. A minority opinion may also accompany any recommendation of the majority of the Panel. The Panel shall be appointed by the State Superintendent, except as otherwise provided in paragraph (2) of this subsection (i) and include the following members:

(A) Two appointees that represent district superintendents, recommended by a statewide organization that represents district superintendents.

(B) Two appointees that represent school boards, recommended by a statewide organization that represents school boards.

(C) Two appointees from districts that represent school business officials, recommended by a statewide organization that represents school business officials.

(D) Two appointees that represent school principals, recommended by a statewide organization that represents school principals.

(E) Two appointees that represent teachers, recommended by a statewide organization that represents teachers.

(F) Two appointees that represent teachers, recommended by another statewide organization that represents teachers.

(G) Two appointees that represent regional superintendents of schools, recommended by organizations that represent regional superintendents.

(H) Two independent experts selected solely by the State Superintendent.

(I) Two independent experts recommended by public universities in this State.

(J) One member recommended by a statewide organization that represents parents.

(K) Two representatives recommended by collective impact organizations that represent major metropolitan areas or geographic areas in Illinois.

(L) One member from a statewide organization focused on research-based education policy to support a school system that prepares all students for college, a career, and democratic citizenship.

(M) One representative from a school district organized under Article 34 of this Code.

The State Superintendent shall ensure that the membership of the Panel includes representatives from school districts and communities reflecting the geographic, socio-economic, racial, and ethnic diversity of this State. The State Superintendent shall additionally ensure that the membership of the Panel includes representatives with expertise in bilingual education and special education. Staff from the State Board shall staff the Panel.

(2) In addition to those Panel members appointed by the State Superintendent, 4 members of the General Assembly shall be appointed as follows: one member of the House of Representatives appointed by the Speaker of the House of Representatives, one member of the Senate appointed by the President of the Senate, one member of the House of Representatives appointed by the Minority Leader of the House of Representatives, and one member of the Senate appointed by the Minority Leader of the Senate. There shall be one additional member appointed by the Governor. All members appointed by legislative leaders or the Governor shall be non-voting, ex officio members.

(3) On an annual basis, the State Superintendent shall recalibrate the following per pupil elements of the Adequacy Target and applied to the formulas, based on the Panel's study of average expenses as reported in the most recent annual financial report:

(A) gifted under subparagraph (M) of paragraph (2) of subsection (b) of this Section;

(B) instructional materials under subparagraph (O) of paragraph (2) of subsection (b) of this Section;

(C) assessment under subparagraph (P) of paragraph (2) of subsection (b) of this Section;

(D) student activities under subparagraph (R) of paragraph (2) of subsection (b) of this Section;

(E) maintenance and operations under subparagraph (S) of paragraph (2) of subsection (b) of this Section; and

(F) central office under subparagraph (T) of paragraph (2) of subsection (b) of this Section.

(4) On a periodic basis, the Panel shall study all the following elements and make

recommendations to the State Board, the General Assembly, and the Governor for modification of this Section:

(A) The format and scope of annual spending plans referenced in paragraph (9) of subsection (h) of this Section.

(B) The Comparable Wage Index under this Section, to be studied by the Panel and reestablished by the State Superintendent every 5 years.

(C) Maintenance and operations. Within 5 years after the implementation of this Section, the Panel shall make recommendations for the further study of maintenance and operations costs, including capital maintenance costs, and recommend any additional reporting data required from Organizational Units.

(D) "At-risk student" definition. Within 5 years after the implementation of this Section, the Panel shall make recommendations for the further study and determination of an "at-risk student" definition. Within 5 years after the implementation of this Section, the Panel shall evaluate and make recommendations regarding adequate funding for poverty concentration under the Evidence-Based Funding model.

(E) Benefits. Within 5 years after the implementation of this Section, the Panel shall make recommendations for further study of benefit costs.

(F) Technology. The per pupil target for technology shall be reviewed every 3 years to determine whether current allocations are sufficient to develop 21st century learning in all classrooms in this State and supporting a one-to-one technological device program in each school. Recommendations shall be made no later than 3 years after the implementation of this Section.

(G) Local Capacity Target. Within 3 years after the implementation of this Section, the Panel shall make recommendations for any additional data desired to analyze possible modifications to the Local Capacity Target, to be based on measures in addition to solely EAV and to be completed within 5 years after implementation of this Section.

(H) Funding for Alternative Schools, Laboratory Schools, safe schools, and alternative learning opportunities programs. By the beginning of the 2021-2022 school year, the Panel shall study and make recommendations regarding the funding levels for Alternative Schools, Laboratory Schools, safe schools, and alternative learning opportunities programs in this State.

(I) Funding for college and career acceleration strategies. By the beginning of the 2021-2022 school year, the Panel shall study and make recommendations regarding funding levels to support college and career acceleration strategies in high school that have been demonstrated to result in improved secondary and postsecondary outcomes, including Advanced Placement, dual-credit opportunities, and college and career pathway systems.

(J) Special education investments. By the beginning of the 2021-2022 school year, the Panel shall study and make recommendations on whether and how to account for disability types within the special education funding category.

(K) Early childhood investments. In collaboration with the Illinois Early Learning Council, the Panel shall include an analysis of what level of Preschool for All Children funding would be necessary to serve all children ages 0 through 5 years in the highest-priority service tier, as specified in paragraph (4.5) of subsection (a) of Section 2-3.71 of this Code, and an analysis of the potential cost savings that that level of Preschool for All Children investment would have on the kindergarten through grade 12 system.

(5) Within 5 years after the implementation of this Section, the Panel shall complete an evaluative study of the entire Evidence-Based Funding model, including an assessment of whether or not the formula is achieving State goals. The Panel shall report to the State Board, the General Assembly, and the Governor on the findings of the study.

(6) Within 3 years after the implementation of this Section, the Panel shall evaluate and provide recommendations to the Governor and the General Assembly on the hold-harmless provisions of this Section found in the Base Funding Minimum.

(j) References. Beginning July 1, 2017, references in other laws to general State aid funds or calculations under Section 18-8.05 of this Code (now repealed) shall be deemed to be references to evidence-based model formula funds or calculations under this Section.

(Source: P.A. 100-465, eff. 8-31-17; 100-578, eff. 1-31-18; 100-582, eff. 3-23-18.)

Section 5-75. The Specialized Mental Health Rehabilitation Act of 2013 is amended by changing Section 2-101 and by adding Sections 5-107 as follows:

(210 ILCS 49/2-101)

Sec. 2-101. Standards for facilities.

(a) The Department shall, by rule, prescribe minimum standards for each level of care for facilities to be in place during the provisional licensure period and thereafter. These standards shall include, but are not limited to, the following:

(1) life safety standards that will ensure the health, safety and welfare of residents and their protection from hazards;

(2) number and qualifications of all personnel, including management and clinical personnel, having responsibility for any part of the care given to consumers; specifically, the Department shall establish staffing ratios for facilities which shall specify the number of staff hours per consumer of care that are needed for each level of care offered within the facility;

(3) all sanitary conditions within the facility and its surroundings, including water supply, sewage disposal, food handling, and general hygiene which shall ensure the health and comfort of consumers;

(4) a program for adequate maintenance of physical plant and equipment;

(5) adequate accommodations, staff, and services for the number and types of services being offered to consumers for whom the facility is licensed to care;

(6) development of evacuation and other appropriate safety plans for use during weather, health, fire, physical plant, environmental, and national defense emergencies;

(7) maintenance of minimum financial or other resources necessary to meet the standards established under this Section, and to operate and conduct the facility in accordance with this Act; and

(8) standards for coercive free environment, restraint, and therapeutic separation.

(9) each multiple bedroom shall have at least 55 square feet of net floor area per consumer, not including space for closets, bathrooms, and clearly defined entryway areas. A minimum of 3 feet of clearance at the foot and one side of each bed shall be provided.

(b) Any requirement contained in administrative rule concerning a percentage of single occupancy rooms shall be calculated based on the total number of licensed or provisionally licensed beds under this Act on January 1, 2019 and shall not be calculated on a per-facility basis.

(Source: P.A. 100-1181, eff. 3-8-19.)

(210 ILCS 49/5-107 new)

Sec. 5-107. Quality of life enhancement. Beginning on July 1, 2019, for improving the quality of life and the quality of care, an additional payment shall be awarded to a facility for their single occupancy rooms. This payment shall be in addition to the rate for recovery and rehabilitation. The additional rate for single room occupancy shall be no less than \$10 per day, per single room occupancy. The Department of Healthcare and Family Services shall adjust payment to Medicaid managed care entities to cover these costs.

Section 5-80. The Illinois Public Aid Code is amended by changing Sections 5-5.01a, 5-5.05b, 5-5e, and 12-10 and by adding Sections 5-2.06 and 5-30.11 as follows:

(305 ILCS 5/5-2.06 new)

Sec. 5-2.06. Payment rates: Children's Community-Based Health Care Centers. Beginning January 1, 2020, the Department shall, for eligible individuals, reimburse Children's Community-Based Health Care Centers established in the Alternative Health Care Delivery Act and providing nursing care for the purpose of transitioning children from a hospital to home placement or other appropriate setting and reuniting families for a maximum of up to 120 days on a per diem basis at the lower of the Children's Community-Based Health Care Center's usual and customary charge to the public or at the Department rate of \$950. Payments at the rate set forth in this Section are exempt from the 2.7% rate reduction required under Section 5-5e.

(305 ILCS 5/5-5.01a)

Sec. 5-5.01a. Supportive living facilities program.

(a) The Department shall establish and provide oversight for a program of supportive living facilities that seek to promote resident independence, dignity, respect, and well-being in the most cost-effective manner.

A supportive living facility is (i) a free-standing facility or (ii) a distinct physical and operational entity within a mixed-use building that meets the criteria established in subsection (d). A supportive living facility integrates housing with health, personal care, and supportive services and is a designated setting that offers residents their own separate, private, and distinct living units.

Sites for the operation of the program shall be selected by the Department based upon criteria that may include the need for services in a geographic area, the availability of funding, and the site's ability to meet the standards.

(b) Beginning July 1, 2014, subject to federal approval, the Medicaid rates for supportive living facilities shall be equal to the supportive living facility Medicaid rate effective on June 30, 2014 increased by 8.85%. Once the assessment imposed at Article V-G of this Code is determined to be a permissible tax under Title XIX of the Social Security Act, the Department shall increase the Medicaid rates for supportive living facilities effective on July 1, 2014 by 9.09%. The Department shall apply this increase retroactively to coincide with the imposition of the assessment in Article V-G of this Code in accordance with the approval for federal financial participation by the Centers for Medicare and Medicaid Services.

The Medicaid rates for supportive living facilities effective on July 1, 2017 must be equal to the rates in effect for supportive living facilities on June 30, 2017 increased by 2.8%.

Subject to federal approval, the Medicaid rates for supportive living services on and after July 1, 2019 must be at least 54.3% of the average total nursing facility services per diem for the geographic areas defined by the Department while maintaining the rate differential for dementia care and must be updated whenever the total nursing facility service per diems are updated.

~~The Medicaid rates for supportive living facilities effective on July 1, 2018 must be equal to the rates in effect for supportive living facilities on June 30, 2018.~~

(c) The Department may adopt rules to implement this Section. Rules that establish or modify the services, standards, and conditions for participation in the program shall be adopted by the Department in consultation with the Department on Aging, the Department of Rehabilitation Services, and the Department of Mental Health and Developmental Disabilities (or their successor agencies).

(d) Subject to federal approval by the Centers for Medicare and Medicaid Services, the Department shall accept for consideration of certification under the program any application for a site or building where distinct parts of the site or building are designated for purposes other than the provision of supportive living services, but only if:

(1) those distinct parts of the site or building are not designated for the purpose of providing assisted living services as required under the Assisted Living and Shared Housing Act;

(2) those distinct parts of the site or building are completely separate from the part of the building used for the provision of supportive living program services, including separate entrances;

(3) those distinct parts of the site or building do not share any common spaces with the part of the building used for the provision of supportive living program services; and

(4) those distinct parts of the site or building do not share staffing with the part of the building used for the provision of supportive living program services.

(e) Facilities or distinct parts of facilities which are selected as supportive living facilities and are in good standing with the Department's rules are exempt from the provisions of the Nursing Home Care Act and the Illinois Health Facilities Planning Act.

(Source: P.A. 100-23, eff. 7-6-17; 100-583, eff. 4-6-18; 100-587, eff. 6-4-18.)

(305 ILCS 5/5-5.05b new)

Sec. 5-5.05b. Access to psychiatric treatment. Effective July 1, 2019, or as soon thereafter as practical and subject to federal approval, the Department shall allocate an amount of up to \$40,000,000 to enhance access psychiatric treatment, including both reimbursement rates to individual physicians board certified in psychiatry as well as community mental health centers and other relevant providers.

(305 ILCS 5/5-5e)

Sec. 5-5e. Adjusted rates of reimbursement.

(a) Rates or payments for services in effect on June 30, 2012 shall be adjusted and services shall be affected as required by any other provision of Public Act 97-689. In addition, the Department shall do the following:

(1) Delink the per diem rate paid for supportive living facility services from the per diem rate paid for nursing facility services, effective for services provided on or after May 1, 2011 and before July 1, 2019.

(2) Cease payment for bed reserves in nursing facilities and specialized mental health rehabilitation facilities; for purposes of therapeutic home visits for individuals scoring as TBI on the MDS 3.0, beginning June 1, 2015, the Department shall approve payments for bed reserves in nursing facilities and specialized mental health rehabilitation facilities that have at least a 90% occupancy level and at least 80% of their residents are Medicaid eligible. Payment shall be at a daily rate of 75% of an individual's current Medicaid per diem and shall not exceed 10 days in a calendar month.

(2.5) Cease payment for bed reserves for purposes of inpatient hospitalizations to intermediate care facilities for persons with development disabilities, except in the instance of residents who are under 21 years of age.

(3) Cease payment of the \$10 per day add-on payment to nursing facilities for certain

residents with developmental disabilities.

(b) After the application of subsection (a), notwithstanding any other provision of this Code to the contrary and to the extent permitted by federal law, on and after July 1, 2012, the rates of reimbursement for services and other payments provided under this Code shall further be reduced as follows:

(1) Rates or payments for physician services, dental services, or community health center services reimbursed through an encounter rate, and services provided under the Medicaid Rehabilitation Option of the Illinois Title XIX State Plan shall not be further reduced, except as provided in Section 5-5b.1.

(2) Rates or payments, or the portion thereof, paid to a provider that is operated by a unit of local government or State University that provides the non-federal share of such services shall not be further reduced, except as provided in Section 5-5b.1.

(3) Rates or payments for hospital services delivered by a hospital defined as a Safety-Net Hospital under Section 5-5e.1 of this Code shall not be further reduced, except as provided in Section 5-5b.1.

(4) Rates or payments for hospital services delivered by a Critical Access Hospital, which is an Illinois hospital designated as a critical care hospital by the Department of Public Health in accordance with 42 CFR 485, Subpart F, shall not be further reduced, except as provided in Section 5-5b.1.

(5) Rates or payments for Nursing Facility Services shall only be further adjusted pursuant to Section 5-5.2 of this Code.

(6) Rates or payments for services delivered by long term care facilities licensed under the ID/DD Community Care Act or the MC/DD Act and developmental training services shall not be further reduced.

(7) Rates or payments for services provided under capitation rates shall be adjusted taking into consideration the rates reduction and covered services required by Public Act 97-689.

(8) For hospitals not previously described in this subsection, the rates or payments for hospital services shall be further reduced by 3.5%, except for payments authorized under Section 5A-12.4 of this Code.

(9) For all other rates or payments for services delivered by providers not specifically referenced in paragraphs (1) through (8), rates or payments shall be further reduced by 2.7%.

(c) Any assessment imposed by this Code shall continue and nothing in this Section shall be construed to cause it to cease.

(d) Notwithstanding any other provision of this Code to the contrary, subject to federal approval under Title XIX of the Social Security Act, for dates of service on and after July 1, 2014, rates or payments for services provided for the purpose of transitioning children from a hospital to home placement or other appropriate setting by a children's community-based health care center authorized under the Alternative Health Care Delivery Act shall be \$683 per day.

(e) Notwithstanding any other provision of this Code to the contrary, subject to federal approval under Title XIX of the Social Security Act, for dates of service on and after July 1, 2014, rates or payments for home health visits shall be \$72.

(f) Notwithstanding any other provision of this Code to the contrary, subject to federal approval under Title XIX of the Social Security Act, for dates of service on and after July 1, 2014, rates or payments for the certified nursing assistant component of the home health agency rate shall be \$20.

(Source: P.A. 98-104, eff. 7-22-13; 98-651, eff. 6-16-14; 98-1166, eff. 6-1-15; 99-2, eff. 3-26-15; 99-180, eff. 7-29-15; 99-642, eff. 7-28-16.)

(305 ILCS 5/5-30.11 new)

Sec. 5-30.11. Treatment of autism spectrum disorder. Treatment of autism spectrum disorder through applied behavior analysis shall be covered under the medical assistance program under this Article for children with a diagnosis of autism spectrum disorder when ordered by a physician licensed to practice medicine in all its branches and rendered by a licensed or certified health care professional with expertise in applied behavior analysis. Such coverage may be limited to age ranges based on evidence-based best practices. Appropriate State plan amendments as well as rules regarding provision of services and providers will be submitted by September 1, 2019.

(305 ILCS 5/12-10) (from Ch. 23, par. 12-10)

Sec. 12-10. DHS Special Purposes Trust Fund; uses. The DHS Special Purposes Trust Fund, to be held outside the State Treasury by the State Treasurer as ex-officio custodian, shall consist of (1) any federal grants received under Section 12-4.6 that are not required by Section 12-5 to be paid into the General Revenue Fund or transferred into the Local Initiative Fund under Section 12-10.1 or deposited in the Employment and Training Fund under Section 12-10.3 or in the special account established and

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maintained in that Fund as provided in that Section; (2) grants, gifts or legacies of moneys or securities received under Section 12-4.18; (3) grants received under Section 12-4.19; and (4) funds for child care and development services. Disbursements from this Fund shall be only for the purposes authorized by the aforementioned Sections.

Disbursements from this Fund shall be by warrants drawn by the State Comptroller on receipt of vouchers duly executed and certified by the Illinois Department of Human Services, including payment to the Health Insurance Reserve Fund for group insurance costs at the rate certified by the Department of Central Management Services.

In addition to any other transfers that may be provided for by law, the State Comptroller shall direct and the State Treasurer shall transfer from the DHS Special Purposes Trust Fund into the Governor's Grant Fund such amounts as may be directed in writing by the Secretary of Human Services.

All federal monies received as reimbursement for expenditures from the General Revenue Fund, and which were made for the purposes authorized for expenditures from the DHS Special Purposes Trust Fund, shall be deposited by the Department into the General Revenue Fund.

(Source: P.A. 99-933, eff. 1-27-17.)

Section 5-85. If and only if House Bill 3343 of the 101st General Assembly becomes law, then the Illinois Public Aid Code is amended by changing Section 12-4.13c as follows:

(305 ILCS 5/12-4.13c)

Sec. 12-4.13c. SNAP Restaurant Meals Program.

(a) Subject to federal approval of the plan for operating the Program, the The Department of Human Services shall establish a Restaurant Meals Program as part of the federal Supplemental Nutrition Assistance Program (SNAP). Under the Restaurant Meals Program, households containing elderly or disabled members, and their spouses, as defined in 7 U.S.C. 2012(j), or homeless individuals, as defined in 7 U.S.C. 2012(l), shall have the option in accordance with 7 U.S.C. 2012(k) to redeem their SNAP benefits at private establishments that contract with the Department to offer meals for eligible individuals at concessional prices subject to 7 U.S.C. 2018(h). The Restaurant Meals Program shall be operational no later than ~~July 1, 2021~~ January 1, 2020.

(b) The Department of Human Services shall adopt any rules necessary to implement the provisions of this Section.

(Source: 10100HB3343enr.)

Section 5-90. The Senior Citizens and Persons with Disabilities Property Tax Relief Act is amended by changing Section 4 as follows:

(320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

Sec. 4. Amount of Grant.

(a) In general. Any individual 65 years or older or any individual who will become 65 years old during the calendar year in which a claim is filed, and any surviving spouse of such a claimant, who at the time of death received or was entitled to receive a grant pursuant to this Section, which surviving spouse will become 65 years of age within the 24 months immediately following the death of such claimant and which surviving spouse but for his or her age is otherwise qualified to receive a grant pursuant to this Section, and any person with a disability whose annual household income is less than the income eligibility limitation, as defined in subsection (a-5) and whose household is liable for payment of property taxes accrued or has paid rent constituting property taxes accrued and is domiciled in this State at the time he or she files his or her claim is entitled to claim a grant under this Act. With respect to claims filed by individuals who will become 65 years old during the calendar year in which a claim is filed, the amount of any grant to which that household is entitled shall be an amount equal to 1/12 of the amount to which the claimant would otherwise be entitled as provided in this Section, multiplied by the number of months in which the claimant was 65 in the calendar year in which the claim is filed.

(a-5) Income eligibility limitation. For purposes of this Section, "income eligibility limitation" means an amount for grant years 2008 through 2019 and thereafter:

- (1) less than \$22,218 for a household containing one person;
- (2) less than \$29,480 for a household containing 2 persons; or
- (3) less than \$36,740 for a household containing 3 or more persons.

For grant years 2020 and thereafter:

- (1) less than \$33,562 for a household containing one person;
- (2) less than \$44,533 for a household containing 2 persons; or
- (3) less than \$55,500 for a household containing 3 or more persons.

For 2009 claim year applications submitted during calendar year 2010, a household must have annual household income of less than \$27,610 for a household containing one person; less than \$36,635 for a household containing 2 persons; or less than \$45,657 for a household containing 3 or more persons.

The Department on Aging may adopt rules such that on January 1, 2011, and thereafter, the foregoing household income eligibility limits may be changed to reflect the annual cost of living adjustment in Social Security and Supplemental Security Income benefits that are applicable to the year for which those benefits are being reported as income on an application.

If a person files as a surviving spouse, then only his or her income shall be counted in determining his or her household income.

(b) Limitation. Except as otherwise provided in subsections (a) and (f) of this Section, the maximum amount of grant which a claimant is entitled to claim is the amount by which the property taxes accrued which were paid or payable during the last preceding tax year or rent constituting property taxes accrued upon the claimant's residence for the last preceding taxable year exceeds 3 1/2% of the claimant's household income for that year but in no event is the grant to exceed (i) \$700 less 4.5% of household income for that year for those with a household income of \$14,000 or less or (ii) \$70 if household income for that year is more than \$14,000.

(c) Public aid recipients. If household income in one or more months during a year includes cash assistance in excess of \$55 per month from the Department of Healthcare and Family Services or the Department of Human Services (acting as successor to the Department of Public Aid under the Department of Human Services Act) which was determined under regulations of that Department on a measure of need that included an allowance for actual rent or property taxes paid by the recipient of that assistance, the amount of grant to which that household is entitled, except as otherwise provided in subsection (a), shall be the product of (1) the maximum amount computed as specified in subsection (b) of this Section and (2) the ratio of the number of months in which household income did not include such cash assistance over \$55 to the number twelve. If household income did not include such cash assistance over \$55 for any months during the year, the amount of the grant to which the household is entitled shall be the maximum amount computed as specified in subsection (b) of this Section. For purposes of this paragraph (c), "cash assistance" does not include any amount received under the federal Supplemental Security Income (SSI) program.

(d) Joint ownership. If title to the residence is held jointly by the claimant with a person who is not a member of his or her household, the amount of property taxes accrued used in computing the amount of grant to which he or she is entitled shall be the same percentage of property taxes accrued as is the percentage of ownership held by the claimant in the residence.

(e) More than one residence. If a claimant has occupied more than one residence in the taxable year, he or she may claim only one residence for any part of a month. In the case of property taxes accrued, he or she shall prorate 1/12 of the total property taxes accrued on his or her residence to each month that he or she owned and occupied that residence; and, in the case of rent constituting property taxes accrued, shall prorate each month's rent payments to the residence actually occupied during that month.

(f) (Blank).

(g) Effective January 1, 2006, there is hereby established a program of pharmaceutical assistance to the aged and to persons with disabilities, entitled the Illinois Seniors and Disabled Drug Coverage Program, which shall be administered by the Department of Healthcare and Family Services and the Department on Aging in accordance with this subsection, to consist of coverage of specified prescription drugs on behalf of beneficiaries of the program as set forth in this subsection. Notwithstanding any provisions of this Act to the contrary, on and after July 1, 2012, pharmaceutical assistance under this Act shall no longer be provided, and on July 1, 2012 the Illinois Senior Citizens and Disabled Persons Pharmaceutical Assistance Program shall terminate. The following provisions that concern the Illinois Senior Citizens and Disabled Persons Pharmaceutical Assistance Program shall continue to apply on and after July 1, 2012 to the extent necessary to pursue any actions authorized by subsection (d) of Section 9 of this Act with respect to acts which took place prior to July 1, 2012.

To become a beneficiary under the program established under this subsection, a person must:

- (1) be (i) 65 years of age or older or (ii) a person with a disability; and
- (2) be domiciled in this State; and
- (3) enroll with a qualified Medicare Part D Prescription Drug Plan if eligible and apply for all available subsidies under Medicare Part D; and
- (4) for the 2006 and 2007 claim years, have a maximum household income of (i) less than \$21,218 for a household containing one person, (ii) less than \$28,480 for a household containing 2 persons, or (iii) less than \$35,740 for a household containing 3 or more persons; and
- (5) for the 2008 claim year, have a maximum household income of (i) less than \$22,218

for a household containing one person, (ii) \$29,480 for a household containing 2 persons, or (iii) \$36,740 for a household containing 3 or more persons; and

(6) for 2009 claim year applications submitted during calendar year 2010, have annual household income of less than (i) \$27,610 for a household containing one person; (ii) less than \$36,635 for a household containing 2 persons; or (iii) less than \$45,657 for a household containing 3 or more persons; and

(7) as of September 1, 2011, have a maximum household income at or below 200% of the federal poverty level.

All individuals enrolled as of December 31, 2005, in the pharmaceutical assistance program operated pursuant to subsection (f) of this Section and all individuals enrolled as of December 31, 2005, in the SeniorCare Medicaid waiver program operated pursuant to Section 5-5.12a of the Illinois Public Aid Code shall be automatically enrolled in the program established by this subsection for the first year of operation without the need for further application, except that they must apply for Medicare Part D and the Low Income Subsidy under Medicare Part D. A person enrolled in the pharmaceutical assistance program operated pursuant to subsection (f) of this Section as of December 31, 2005, shall not lose eligibility in future years due only to the fact that they have not reached the age of 65.

To the extent permitted by federal law, the Department may act as an authorized representative of a beneficiary in order to enroll the beneficiary in a Medicare Part D Prescription Drug Plan if the beneficiary has failed to choose a plan and, where possible, to enroll beneficiaries in the low-income subsidy program under Medicare Part D or assist them in enrolling in that program.

Beneficiaries under the program established under this subsection shall be divided into the following 4 eligibility groups:

(A) Eligibility Group 1 shall consist of beneficiaries who are not eligible for Medicare Part D coverage and who are:

(i) a person with a disability and under age 65; or

(ii) age 65 or older, with incomes over 200% of the Federal Poverty Level; or

(iii) age 65 or older, with incomes at or below 200% of the Federal Poverty Level and not eligible for federally funded means-tested benefits due to immigration status.

(B) Eligibility Group 2 shall consist of beneficiaries who are eligible for Medicare Part D coverage.

(C) Eligibility Group 3 shall consist of beneficiaries age 65 or older, with incomes at or below 200% of the Federal Poverty Level, who are not barred from receiving federally funded means-tested benefits due to immigration status and are not eligible for Medicare Part D coverage.

If the State applies and receives federal approval for a waiver under Title XIX of the Social Security Act, persons in Eligibility Group 3 shall continue to receive benefits through the approved waiver, and Eligibility Group 3 may be expanded to include persons with disabilities who are under age 65 with incomes under 200% of the Federal Poverty Level who are not eligible for Medicare and who are not barred from receiving federally funded means-tested benefits due to immigration status.

(D) Eligibility Group 4 shall consist of beneficiaries who are otherwise described in Eligibility Group 2 who have a diagnosis of HIV or AIDS.

The program established under this subsection shall cover the cost of covered prescription drugs in excess of the beneficiary cost-sharing amounts set forth in this paragraph that are not covered by Medicare. The Department of Healthcare and Family Services may establish by emergency rule changes in cost-sharing necessary to conform the cost of the program to the amounts appropriated for State fiscal year 2012 and future fiscal years except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 of the Illinois Administrative Procedure Act shall not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

For purposes of the program established under this subsection, the term "covered prescription drug" has the following meanings:

For Eligibility Group 1, "covered prescription drug" means: (1) any cardiovascular agent or drug; (2) any insulin or other prescription drug used in the treatment of diabetes, including syringe and needles used to administer the insulin; (3) any prescription drug used in the treatment of arthritis; (4) any prescription drug used in the treatment of cancer; (5) any prescription drug used in the treatment of Alzheimer's disease; (6) any prescription drug used in the treatment of Parkinson's disease; (7) any prescription drug used in the treatment of glaucoma; (8) any prescription drug used in the treatment of lung disease and smoking-related illnesses; (9) any prescription drug used in the treatment of osteoporosis; and (10) any prescription drug used in the treatment of multiple sclerosis. The Department may add additional therapeutic classes by rule. The Department may adopt a preferred drug list within

any of the classes of drugs described in items (1) through (10) of this paragraph. The specific drugs or therapeutic classes of covered prescription drugs shall be indicated by rule.

For Eligibility Group 2, "covered prescription drug" means those drugs covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled.

For Eligibility Group 3, "covered prescription drug" means those drugs covered by the Medical Assistance Program under Article V of the Illinois Public Aid Code.

For Eligibility Group 4, "covered prescription drug" means those drugs covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled.

Any person otherwise eligible for pharmaceutical assistance under this subsection whose covered drugs are covered by any public program is ineligible for assistance under this subsection to the extent that the cost of those drugs is covered by the other program.

The Department of Healthcare and Family Services shall establish by rule the methods by which it will provide for the coverage called for in this subsection. Those methods may include direct reimbursement to pharmacies or the payment of a capitated amount to Medicare Part D Prescription Drug Plans.

For a pharmacy to be reimbursed under the program established under this subsection, it must comply with rules adopted by the Department of Healthcare and Family Services regarding coordination of benefits with Medicare Part D Prescription Drug Plans. A pharmacy may not charge a Medicare-enrolled beneficiary of the program established under this subsection more for a covered prescription drug than the appropriate Medicare cost-sharing less any payment from or on behalf of the Department of Healthcare and Family Services.

The Department of Healthcare and Family Services or the Department on Aging, as appropriate, may adopt rules regarding applications, counting of income, proof of Medicare status, mandatory generic policies, and pharmacy reimbursement rates and any other rules necessary for the cost-efficient operation of the program established under this subsection.

(h) A qualified individual is not entitled to duplicate benefits in a coverage period as a result of the changes made by this amendatory Act of the 96th General Assembly.

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

Section 5-95. The Early Intervention Services System Act is amended by changing Section 3 and by adding Section 3a as follows:

(325 ILCS 20/3) (from Ch. 23, par. 4153)

Sec. 3. Definitions. As used in this Act:

(a) "Eligible infants and toddlers" means infants and toddlers under 36 months of age with any of the following conditions:

(1) Developmental delays.

(2) A physical or mental condition which typically results in developmental delay.

(3) Being at risk of having substantial developmental delays based on informed clinical opinion.

(4) Either (A) having entered the program under any of the circumstances listed in paragraphs (1) through (3) of this subsection but no longer meeting the current eligibility criteria under those paragraphs, and continuing to have any measurable delay, or (B) not having attained a level of development in each area, including (i) cognitive, (ii) physical (including vision and hearing), (iii) language, speech, and communication, (iv) social or emotional, or (v) adaptive, that is at least at the mean of the child's age equivalent peers; and, in addition to either item (A) or item (B), (C) having been determined by the multidisciplinary individualized family service plan team to require the continuation of early intervention services in order to support continuing developmental progress, pursuant to the child's needs and provided in an appropriate developmental manner. The type, frequency, and intensity of services shall differ from the initial individualized family services plan because of the child's developmental progress, and may consist of only service coordination, evaluation, and assessments.

(b) "Developmental delay" means a delay in one or more of the following areas of childhood development as measured by appropriate diagnostic instruments and standard procedures: cognitive; physical, including vision and hearing; language, speech and communication; social or emotional; or adaptive. The term means a delay of 30% or more below the mean in function in one or more of those areas.

(c) "Physical or mental condition which typically results in developmental delay" means:

(1) a diagnosed medical disorder or exposure to a toxic substance bearing a relatively well known expectancy for

developmental outcomes within varying ranges of developmental disabilities; or

(2) a history of prenatal, perinatal, neonatal or early developmental events suggestive

of biological insults to the developing central nervous system and which either singly or collectively increase the probability of developing a disability or delay based on a medical history.

(d) "Informed clinical opinion" means both clinical observations and parental participation to determine eligibility by a consensus of a multidisciplinary team of 2 or more members based on their professional experience and expertise.

(e) "Early intervention services" means services which:

(1) are designed to meet the developmental needs of each child eligible under this Act and the needs of his or her family;

(2) are selected in collaboration with the child's family;

(3) are provided under public supervision;

(4) are provided at no cost except where a schedule of sliding scale fees or other system of payments by families has been adopted in accordance with State and federal law;

(5) are designed to meet an infant's or toddler's developmental needs in any of the following areas:

(A) physical development, including vision and hearing,

(B) cognitive development,

(C) communication development,

(D) social or emotional development, or

(E) adaptive development;

(6) meet the standards of the State, including the requirements of this Act;

(7) include one or more of the following:

(A) family training,

(B) social work services, including counseling, and home visits,

(C) special instruction,

(D) speech, language pathology and audiology,

(E) occupational therapy,

(F) physical therapy,

(G) psychological services,

(H) service coordination services,

(I) medical services only for diagnostic or evaluation purposes,

(J) early identification, screening, and assessment services,

(K) health services specified by the lead agency as necessary to enable the infant or toddler to benefit from the other early intervention services,

(L) vision services,

(M) transportation,

(N) assistive technology devices and services,

(O) nursing services,

(P) nutrition services, and

(Q) sign language and cued language services;

(8) are provided by qualified personnel, including but not limited to:

(A) child development specialists or special educators, including teachers of children with hearing impairments (including deafness) and teachers of children with vision impairments (including blindness),

(B) speech and language pathologists and audiologists,

(C) occupational therapists,

(D) physical therapists,

(E) social workers,

(F) nurses,

(G) dietitian nutritionists,

(H) vision specialists, including ophthalmologists and optometrists,

(I) psychologists, and

(J) physicians;

(9) are provided in conformity with an Individualized Family Service Plan;

(10) are provided throughout the year; and

(11) are provided in natural environments, to the maximum extent appropriate, which may include the home and community settings, unless justification is provided consistent with federal regulations adopted under Sections 1431 through 1444 of Title 20 of the United States Code.

(f) "Individualized Family Service Plan" or "Plan" means a written plan for providing early intervention services to a child eligible under this Act and the child's family, as set forth in Section 11.

(g) "Local interagency agreement" means an agreement entered into by local community and State and regional agencies receiving early intervention funds directly from the State and made in accordance with State interagency agreements providing for the delivery of early intervention services within a local community area.

(h) "Council" means the Illinois Interagency Council on Early Intervention established under Section 4.

(i) "Lead agency" means the State agency responsible for administering this Act and receiving and disbursing public funds received in accordance with State and federal law and rules.

(i-5) "Central billing office" means the central billing office created by the lead agency under Section 13.

(j) "Child find" means a service which identifies eligible infants and toddlers.

(k) "Regional intake entity" means the lead agency's designated entity responsible for implementation of the Early Intervention Services System within its designated geographic area.

(l) "Early intervention provider" means an individual who is qualified, as defined by the lead agency, to provide one or more types of early intervention services, and who has enrolled as a provider in the early intervention program.

(m) "Fully credentialed early intervention provider" means an individual who has met the standards in the State applicable to the relevant profession, and has met such other qualifications as the lead agency has determined are suitable for personnel providing early intervention services, including pediatric experience, education, and continuing education. The lead agency shall establish these qualifications by rule filed no later than 180 days after the effective date of this amendatory Act of the 92nd General Assembly.

(Source: P.A. 97-902, eff. 8-6-12; 98-41, eff. 6-28-13.)

(325 ILCS 20/3a new)

Sec. 3a. Lead poisoning. No later than 180 days after the effective date of this amendatory Act of the 101st General Assembly, the lead agency shall adopt rules to update 89 Ill. Adm. Code 500.Appendix E by: (i) expanding the list of Medical Conditions Resulting in High Probability of Developmental Delay to include lead poisoning as a medical condition approved by the lead agency for the purposes of this Act; and (ii) defining "confirmed blood lead level" and "elevated blood lead level" or "EBL" to have the same meanings ascribed to those terms by the Department of Public Health in 77 Ill. Adm. Code 845.20.

Section 5-100. The Environmental Protection Act is amended by changing Sections 22.15, 55.6, and 57.11 as follows:

(415 ILCS 5/22.15) (from Ch. 111 1/2, par. 1022.15)

Sec. 22.15. Solid Waste Management Fund; fees.

(a) There is hereby created within the State Treasury a special fund to be known as the "Solid Waste Management Fund", to be constituted from the fees collected by the State pursuant to this Section, from repayments of loans made from the Fund for solid waste projects, from registration fees collected pursuant to the Consumer Electronics Recycling Act, and from amounts transferred into the Fund pursuant to Public Act 100-433. Moneys received by the Department of Commerce and Economic Opportunity in repayment of loans made pursuant to the Illinois Solid Waste Management Act shall be deposited into the General Revenue Fund.

(b) The Agency shall assess and collect a fee in the amount set forth herein from the owner or operator of each sanitary landfill permitted or required to be permitted by the Agency to dispose of solid waste if the sanitary landfill is located off the site where such waste was produced and if such sanitary landfill is owned, controlled, and operated by a person other than the generator of such waste. The Agency shall deposit all fees collected into the Solid Waste Management Fund. If a site is contiguous to one or more landfills owned or operated by the same person, the volumes permanently disposed of by each landfill shall be combined for purposes of determining the fee under this subsection. Beginning on July 1, 2018, and on the first day of each month thereafter during fiscal years year 2019 and 2020, the State Comptroller shall direct and State Treasurer shall transfer an amount equal to 1/12 of \$5,000,000 per fiscal year from the Solid Waste Management Fund to the General Revenue Fund.

(1) If more than 150,000 cubic yards of non-hazardous solid waste is permanently disposed of at a site in a calendar year, the owner or operator shall either pay a fee of 95 cents per cubic yard or, alternatively, the owner or operator may weigh the quantity of the solid waste permanently disposed of with a device for which certification has been obtained under the Weights and Measures Act and pay a fee of \$2.00 per ton of solid waste permanently disposed of. In no case shall the fee collected or paid by the owner or operator under this paragraph exceed \$1.55 per cubic yard or \$3.27 per ton.

(2) If more than 100,000 cubic yards but not more than 150,000 cubic yards of

non-hazardous waste is permanently disposed of at a site in a calendar year, the owner or operator shall pay a fee of \$52,630.

(3) If more than 50,000 cubic yards but not more than 100,000 cubic yards of non-hazardous solid waste is permanently disposed of at a site in a calendar year, the owner or operator shall pay a fee of \$23,790.

(4) If more than 10,000 cubic yards but not more than 50,000 cubic yards of non-hazardous solid waste is permanently disposed of at a site in a calendar year, the owner or operator shall pay a fee of \$7,260.

(5) If not more than 10,000 cubic yards of non-hazardous solid waste is permanently disposed of at a site in a calendar year, the owner or operator shall pay a fee of \$1050.

(c) (Blank).

(d) The Agency shall establish rules relating to the collection of the fees authorized by this Section. Such rules shall include, but not be limited to:

(1) necessary records identifying the quantities of solid waste received or disposed;

(2) the form and submission of reports to accompany the payment of fees to the Agency;

(3) the time and manner of payment of fees to the Agency, which payments shall not be more often than quarterly; and

(4) procedures setting forth criteria establishing when an owner or operator may measure by weight or volume during any given quarter or other fee payment period.

(e) Pursuant to appropriation, all monies in the Solid Waste Management Fund shall be used by the Agency and the Department of Commerce and Economic Opportunity for the purposes set forth in this Section and in the Illinois Solid Waste Management Act, including for the costs of fee collection and administration, and for the administration of (1) the Consumer Electronics Recycling Act and (2) until January 1, 2020, the Electronic Products Recycling and Reuse Act.

(f) The Agency is authorized to enter into such agreements and to promulgate such rules as are necessary to carry out its duties under this Section and the Illinois Solid Waste Management Act.

(g) On the first day of January, April, July, and October of each year, beginning on July 1, 1996, the State Comptroller and Treasurer shall transfer \$500,000 from the Solid Waste Management Fund to the Hazardous Waste Fund. Moneys transferred under this subsection (g) shall be used only for the purposes set forth in item (1) of subsection (d) of Section 22.2.

(h) The Agency is authorized to provide financial assistance to units of local government for the performance of inspecting, investigating and enforcement activities pursuant to Section 4(r) at nonhazardous solid waste disposal sites.

(i) The Agency is authorized to conduct household waste collection and disposal programs.

(j) A unit of local government, as defined in the Local Solid Waste Disposal Act, in which a solid waste disposal facility is located may establish a fee, tax, or surcharge with regard to the permanent disposal of solid waste. All fees, taxes, and surcharges collected under this subsection shall be utilized for solid waste management purposes, including long-term monitoring and maintenance of landfills, planning, implementation, inspection, enforcement and other activities consistent with the Solid Waste Management Act and the Local Solid Waste Disposal Act, or for any other environment-related purpose, including but not limited to an environment-related public works project, but not for the construction of a new pollution control facility other than a household hazardous waste facility. However, the total fee, tax or surcharge imposed by all units of local government under this subsection (j) upon the solid waste disposal facility shall not exceed:

(1) 60¢ per cubic yard if more than 150,000 cubic yards of non-hazardous solid waste is permanently disposed of at the site in a calendar year, unless the owner or operator weighs the quantity of the solid waste received with a device for which certification has been obtained under the Weights and Measures Act, in which case the fee shall not exceed \$1.27 per ton of solid waste permanently disposed of.

(2) \$33,350 if more than 100,000 cubic yards, but not more than 150,000 cubic yards, of non-hazardous waste is permanently disposed of at the site in a calendar year.

(3) \$15,500 if more than 50,000 cubic yards, but not more than 100,000 cubic yards, of non-hazardous solid waste is permanently disposed of at the site in a calendar year.

(4) \$4,650 if more than 10,000 cubic yards, but not more than 50,000 cubic yards, of non-hazardous solid waste is permanently disposed of at the site in a calendar year.

(5) \$650 if not more than 10,000 cubic yards of non-hazardous solid waste is permanently disposed of at the site in a calendar year.

The corporate authorities of the unit of local government may use proceeds from the fee, tax, or surcharge to reimburse a highway commissioner whose road district lies wholly or partially within the

corporate limits of the unit of local government for expenses incurred in the removal of nonhazardous, nonfluid municipal waste that has been dumped on public property in violation of a State law or local ordinance.

A county or Municipal Joint Action Agency that imposes a fee, tax, or surcharge under this subsection may use the proceeds thereof to reimburse a municipality that lies wholly or partially within its boundaries for expenses incurred in the removal of nonhazardous, nonfluid municipal waste that has been dumped on public property in violation of a State law or local ordinance.

If the fees are to be used to conduct a local sanitary landfill inspection or enforcement program, the unit of local government must enter into a written delegation agreement with the Agency pursuant to subsection (r) of Section 4. The unit of local government and the Agency shall enter into such a written delegation agreement within 60 days after the establishment of such fees. At least annually, the Agency shall conduct an audit of the expenditures made by units of local government from the funds granted by the Agency to the units of local government for purposes of local sanitary landfill inspection and enforcement programs, to ensure that the funds have been expended for the prescribed purposes under the grant.

The fees, taxes or surcharges collected under this subsection (j) shall be placed by the unit of local government in a separate fund, and the interest received on the moneys in the fund shall be credited to the fund. The monies in the fund may be accumulated over a period of years to be expended in accordance with this subsection.

A unit of local government, as defined in the Local Solid Waste Disposal Act, shall prepare and distribute to the Agency, in April of each year, a report that details spending plans for monies collected in accordance with this subsection. The report will at a minimum include the following:

- (1) The total monies collected pursuant to this subsection.
- (2) The most current balance of monies collected pursuant to this subsection.
- (3) An itemized accounting of all monies expended for the previous year pursuant to this subsection.
- (4) An estimation of monies to be collected for the following 3 years pursuant to this subsection.
- (5) A narrative detailing the general direction and scope of future expenditures for one, 2 and 3 years.

The exemptions granted under Sections 22.16 and 22.16a, and under subsection (k) of this Section, shall be applicable to any fee, tax or surcharge imposed under this subsection (j); except that the fee, tax or surcharge authorized to be imposed under this subsection (j) may be made applicable by a unit of local government to the permanent disposal of solid waste after December 31, 1986, under any contract lawfully executed before June 1, 1986 under which more than 150,000 cubic yards (or 50,000 tons) of solid waste is to be permanently disposed of, even though the waste is exempt from the fee imposed by the State under subsection (b) of this Section pursuant to an exemption granted under Section 22.16.

(k) In accordance with the findings and purposes of the Illinois Solid Waste Management Act, beginning January 1, 1989 the fee under subsection (b) and the fee, tax or surcharge under subsection (j) shall not apply to:

- (1) waste which is hazardous waste;
- (2) waste which is pollution control waste;
- (3) waste from recycling, reclamation or reuse processes which have been approved by the Agency as being designed to remove any contaminant from wastes so as to render such wastes reusable, provided that the process renders at least 50% of the waste reusable;
- (4) non-hazardous solid waste that is received at a sanitary landfill and composted or recycled through a process permitted by the Agency; or
- (5) any landfill which is permitted by the Agency to receive only demolition or construction debris or landscape waste.

(Source: P.A. 100-103, eff. 8-11-17; 100-433, eff. 8-25-17; 100-587, eff. 6-4-18; 100-621, eff. 7-20-18; 100-863, eff. 8-14-18.)

(415 ILCS 5/55.6) (from Ch. 111 1/2, par. 1055.6)
Sec. 55.6. Used Tire Management Fund.

(a) There is hereby created in the State Treasury a special fund to be known as the Used Tire Management Fund. There shall be deposited into the Fund all monies received as (1) recovered costs or proceeds from the sale of used tires under Section 55.3 of this Act, (2) repayment of loans from the Used Tire Management Fund, or (3) penalties or punitive damages for violations of this Title, except as provided by subdivision (b)(4) or (b)(4-5) of Section 42.

(b) Beginning January 1, 1992, in addition to any other fees required by law, the owner or operator of each site required to be registered or permitted under subsection (d) or (d-5) of Section 55 shall pay to the

Agency an annual fee of \$100. Fees collected under this subsection shall be deposited into the Environmental Protection Permit and Inspection Fund.

(c) Pursuant to appropriation, ~~moneys monies~~ up to an amount of \$4 million per fiscal year from the Used Tire Management Fund shall be allocated as follows:

(1) 38% shall be available to the Agency for the following purposes, provided that priority shall be given to item (i):

(i) To undertake preventive, corrective or removal action as authorized by and in accordance with Section 55.3, and to recover costs in accordance with Section 55.3.

(ii) For the performance of inspection and enforcement activities for used and waste tire sites.

(iii) (Blank).

(iv) To provide financial assistance to units of local government for the performance of inspecting, investigating and enforcement activities pursuant to subsection (r) of Section 4 at used and waste tire sites.

(v) To provide financial assistance for used and waste tire collection projects sponsored by local government or not-for-profit corporations.

(vi) For the costs of fee collection and administration relating to used and waste tires, and to accomplish such other purposes as are authorized by this Act and regulations thereunder.

(vii) To provide financial assistance to units of local government and private industry for the purposes of:

(A) assisting in the establishment of facilities and programs to collect, process, and utilize used and waste tires and tire-derived materials;

(B) demonstrating the feasibility of innovative technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire-derived materials; and

(C) applying demonstrated technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire-derived materials.

(2) ~~(Blank). For fiscal years beginning prior to July 1, 2004, 23% shall be available to the Department of Commerce and Economic Opportunity for the following purposes, provided that priority shall be given to item (A):~~

~~(A) To provide grants or loans for the purposes of:~~

~~(i) assisting units of local government and private industry in the establishment of facilities and programs to collect, process and utilize used and waste tires and tire derived materials;~~

~~(ii) demonstrating the feasibility of innovative technologies as a means of collecting, storing, processing and utilizing used and waste tires and tire derived materials; and~~

~~(iii) applying demonstrated technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire derived materials.~~

~~(B) To develop educational material for use by officials and the public to better understand and respond to the problems posed by used tires and associated insects.~~

~~(C) (Blank).~~

~~(D) To perform such research as the Director deems appropriate to help meet the purposes of this Act.~~

~~(E) To pay the costs of administration of its activities authorized under this Act.~~

(2.1) For the fiscal year beginning July 1, 2004 and for all fiscal years thereafter, 23% shall be deposited into the General Revenue Fund. For fiscal years year 2019 and 2020 only, such transfers are at the direction of the Department of Revenue, and shall be made within 30 days after the end of each quarter.

(3) 25% shall be available to the Illinois Department of Public Health for the following purposes:

(A) To investigate threats or potential threats to the public health related to mosquitoes and other vectors of disease associated with the improper storage, handling and disposal of tires, improper waste disposal, or natural conditions.

(B) To conduct surveillance and monitoring activities for mosquitoes and other arthropod vectors of disease, and surveillance of animals which provide a reservoir for disease-producing organisms.

(C) To conduct training activities to promote vector control programs and integrated pest management as defined in the Vector Control Act.

(D) To respond to inquiries, investigate complaints, conduct evaluations and provide technical consultation to help reduce or eliminate public health hazards and nuisance conditions associated with mosquitoes and other vectors.

(E) To provide financial assistance to units of local government for training, investigation and response to public nuisances associated with mosquitoes and other vectors of disease.

(4) 2% shall be available to the Department of Agriculture for its activities under the Illinois Pesticide Act relating to used and waste tires.

(5) 2% shall be available to the Pollution Control Board for administration of its activities relating to used and waste tires.

(6) 10% shall be available to the University of Illinois for the Prairie Research Institute to perform research to study the biology, distribution, population ecology, and biosystematics of tire-breeding arthropods, especially mosquitoes, and the diseases they spread.

(d) By January 1, 1998, and biennially thereafter, each State agency receiving an appropriation from the Used Tire Management Fund shall report to the Governor and the General Assembly on its activities relating to the Fund.

(e) Any monies appropriated from the Used Tire Management Fund, but not obligated, shall revert to the Fund.

(f) In administering the provisions of subdivisions (1), (2) and (3) of subsection (c) of this Section, the Agency, the Department of Commerce and Economic Opportunity, and the Illinois Department of Public Health shall ensure that appropriate funding assistance is provided to any municipality with a population over 1,000,000 or to any sanitary district which serves a population over 1,000,000.

(g) Pursuant to appropriation, monies in excess of \$4 million per fiscal year from the Used Tire Management Fund shall be used as follows:

(1) 55% shall be available to the Agency for the following purposes, provided that priority shall be given to subparagraph (A):

(A) To undertake preventive, corrective or renewed action as authorized by and in accordance with Section 55.3 and to recover costs in accordance with Section 55.3.

(B) To provide financial assistance to units of local government and private industry for the purposes of:

(i) assisting in the establishment of facilities and programs to collect, process, and utilize used and waste tires and tire-derived materials;

(ii) demonstrating the feasibility of innovative technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire-derived materials; and

(iii) applying demonstrated technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire-derived materials.

(C) To provide grants to public universities for vector-related research, disease-related research, and for related laboratory-based equipment and field-based equipment.

(2) ~~(Blank). For fiscal years beginning prior to July 1, 2004, 45% shall be available to the Department of Commerce and Economic Opportunity to provide grants or loans for the purposes of:~~

~~(i) assisting units of local government and private industry in the establishment of facilities and programs to collect, process and utilize waste tires and tire derived material;~~

~~(ii) demonstrating the feasibility of innovative technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire derived materials; and~~

~~(iii) applying demonstrated technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire derived materials.~~

(3) For the fiscal year beginning July 1, 2004 and for all fiscal years thereafter, 45%

shall be deposited into the General Revenue Fund. For fiscal years 2019 and 2020 only, such transfers are at the direction of the Department of Revenue, and shall be made within 30 days after the end of each quarter.

(Source: P.A. 100-103, eff. 8-11-17; 100-327, eff. 8-24-17; 100-587, eff. 6-4-18; 100-621, eff. 7-20-18; 100-863, eff. 8-14-18.)

(415 ILCS 5/57.11)

Sec. 57.11. Underground Storage Tank Fund; creation.

(a) There is hereby created in the State Treasury a special fund to be known as the Underground Storage Tank Fund. There shall be deposited into the Underground Storage Tank Fund all ~~monies~~ monies received by the Office of the State Fire Marshal as fees for underground storage tanks under Sections 4 and 5 of the Gasoline Storage Act, fees pursuant to the Motor Fuel Tax Law, and beginning July 1, 2013, payments pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. All amounts held in the Underground Storage Tank Fund shall be invested at interest by the State Treasurer. All income earned from the investments shall be deposited into the Underground Storage Tank Fund no less frequently than quarterly. In addition to any other transfers that may be provided

for by law, beginning on July 1, 2018 and on the first day of each month thereafter during fiscal ~~years~~ ~~year~~ 2019 ~~and 2020~~ only, the State Comptroller shall direct and the State Treasurer shall transfer an amount equal to 1/12 of \$10,000,000 from the Underground Storage Tank Fund to the General Revenue Fund. Moneys in the Underground Storage Tank Fund, pursuant to appropriation, may be used by the Agency and the Office of the State Fire Marshal for the following purposes:

(1) To take action authorized under Section 57.12 to recover costs under Section 57.12.

(2) To assist in the reduction and mitigation of damage caused by leaks from underground storage tanks, including but not limited to, providing alternative water supplies to persons whose drinking water has become contaminated as a result of those leaks.

(3) To be used as a matching amount towards federal assistance relative to the release of petroleum from underground storage tanks.

(4) For the costs of administering activities of the Agency and the Office of the State Fire Marshal relative to the Underground Storage Tank Fund.

(5) For payment of costs of corrective action incurred by and indemnification to operators of underground storage tanks as provided in this Title.

(6) For a total of 2 demonstration projects in amounts in excess of a \$10,000 deductible charge designed to assess the viability of corrective action projects at sites which have experienced contamination from petroleum releases. Such demonstration projects shall be conducted in accordance with the provision of this Title.

(7) Subject to appropriation, moneys in the Underground Storage Tank Fund may also be used by the Department of Revenue for the costs of administering its activities relative to the Fund and for refunds provided for in Section 13a.8 of the Motor Fuel Tax Act.

(b) Moneys in the Underground Storage Tank Fund may, pursuant to appropriation, be used by the Office of the State Fire Marshal or the Agency to take whatever emergency action is necessary or appropriate to assure that the public health or safety is not threatened whenever there is a release or substantial threat of a release of petroleum from an underground storage tank and for the costs of administering its activities relative to the Underground Storage Tank Fund.

(c) Beginning July 1, 1993, the Governor shall certify to the State Comptroller and State Treasurer the monthly amount necessary to pay debt service on State obligations issued pursuant to Section 6 of the General Obligation Bond Act. On the last day of each month, the Comptroller shall order transferred and the Treasurer shall transfer from the Underground Storage Tank Fund to the General Obligation Bond Retirement and Interest Fund the amount certified by the Governor, plus any cumulative deficiency in those transfers for prior months.

(d) Except as provided in subsection (c) of this Section, the Underground Storage Tank Fund is not subject to administrative charges authorized under Section 8h of the State Finance Act that would in any way transfer any funds from the Underground Storage Tank Fund into any other fund of the State.

(e) Each fiscal year, subject to appropriation, the Agency may commit up to \$10,000,000 of the moneys in the Underground Storage Tank Fund to the payment of corrective action costs for legacy sites that meet one or more of the following criteria as a result of the underground storage tank release: (i) the presence of free product, (ii) contamination within a regulated recharge area, a wellhead protection area, or the setback zone of a potable water supply well, (iii) contamination extending beyond the boundaries of the site where the release occurred, or (iv) such other criteria as may be adopted in Agency rules.

(1) Fund moneys committed under this subsection (e) shall be held in the Fund for payment of the corrective action costs for which the moneys were committed.

(2) The Agency may adopt rules governing the commitment of Fund moneys under this subsection (e).

(3) This subsection (e) does not limit the use of Fund moneys at legacy sites as otherwise provided under this Title.

(4) For the purposes of this subsection (e), the term "legacy site" means a site for which (i) an underground storage tank release was reported prior to January 1, 2005, (ii) the owner or operator has been determined eligible to receive payment from the Fund for corrective action costs, and (iii) the Agency did not receive any applications for payment prior to January 1, 2010.

(f) Beginning July 1, 2013, if the amounts deposited into the Fund from moneys received by the Office of the State Fire Marshal as fees for underground storage tanks under Sections 4 and 5 of the Gasoline Storage Act and as fees pursuant to the Motor Fuel Tax Law during a State fiscal year are sufficient to pay all claims for payment by the fund received during that State fiscal year, then the amount of any payments into the fund pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act during that State fiscal year shall be deposited as follows: 75% thereof shall be paid into the State treasury and 25% shall be reserved in a special account and used only for the

transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

(Source: P.A. 100-587, eff. 6-4-18.)

ARTICLE 10. RETIREMENT CONTRIBUTIONS

Section 10-5. The State Finance Act is amended by changing Sections 8.12 and 14.1 as follows:
(30 ILCS 105/8.12) (from Ch. 127, par. 144.12)

Sec. 8.12. State Pensions Fund.

(a) The moneys in the State Pensions Fund shall be used exclusively for the administration of the Revised Uniform Unclaimed Property Act and for the expenses incurred by the Auditor General for administering the provisions of Section 2-8.1 of the Illinois State Auditing Act and for operational expenses of the Office of the State Treasurer and for the funding of the unfunded liabilities of the designated retirement systems. Beginning in State fiscal year 2021 ~~2020~~, payments to the designated retirement systems under this Section shall be in addition to, and not in lieu of, any State contributions required under the Illinois Pension Code.

"Designated retirement systems" means:

- (1) the State Employees' Retirement System of Illinois;
- (2) the Teachers' Retirement System of the State of Illinois;
- (3) the State Universities Retirement System;
- (4) the Judges Retirement System of Illinois; and
- (5) the General Assembly Retirement System.

(b) Each year the General Assembly may make appropriations from the State Pensions Fund for the administration of the Revised Uniform Unclaimed Property Act.

(c) As soon as possible after July 30, 2004 (the effective date of Public Act 93-839), the General Assembly shall appropriate from the State Pensions Fund (1) to the State Universities Retirement System the amount certified under Section 15-165 during the prior year, (2) to the Judges Retirement System of Illinois the amount certified under Section 18-140 during the prior year, and (3) to the General Assembly Retirement System the amount certified under Section 2-134 during the prior year as part of the required State contributions to each of those designated retirement systems; ~~except that amounts appropriated under this subsection (c) in State fiscal year 2005 shall not reduce the amount in the State Pensions Fund below \$5,000,000.~~ If the amount in the State Pensions Fund does not exceed the sum of the amounts certified in Sections 15-165, 18-140, and 2-134 by at least \$5,000,000, the amount paid to each designated retirement system under this subsection shall be reduced in proportion to the amount certified by each of those designated retirement systems.

(c-5) For fiscal years 2006 through 2020 ~~2019~~, the General Assembly shall appropriate from the State Pensions Fund to the State Universities Retirement System the amount estimated to be available during the fiscal year in the State Pensions Fund; provided, however, that the amounts appropriated under this subsection (c-5) shall not reduce the amount in the State Pensions Fund below \$5,000,000.

(c-6) For fiscal year 2021 ~~2020~~ and each fiscal year thereafter, as soon as may be practical after any money is deposited into the State Pensions Fund from the Unclaimed Property Trust Fund, the State Treasurer shall apportion the deposited amount among the designated retirement systems as defined in subsection (a) to reduce their actuarial reserve deficiencies. The State Comptroller and State Treasurer shall pay the apportioned amounts to the designated retirement systems to fund the unfunded liabilities of the designated retirement systems. The amount apportioned to each designated retirement system shall constitute a portion of the amount estimated to be available for appropriation from the State Pensions Fund that is the same as that retirement system's portion of the total actual reserve deficiency of the systems, as determined annually by the Governor's Office of Management and Budget at the request of the State Treasurer. The amounts apportioned under this subsection shall not reduce the amount in the State Pensions Fund below \$5,000,000.

(d) The Governor's Office of Management and Budget shall determine the individual and total reserve deficiencies of the designated retirement systems. For this purpose, the Governor's Office of Management and Budget shall utilize the latest available audit and actuarial reports of each of the retirement systems and the relevant reports and statistics of the Public Employee Pension Fund Division of the Department of Insurance.

(d-1) (Blank). ~~As soon as practicable after March 5, 2004 (the effective date of Public Act 93-665), the Comptroller shall direct and the Treasurer shall transfer from the State Pensions Fund to the General Revenue Fund, as funds become available, a sum equal to the amounts that would have been paid from the State Pensions Fund to the Teachers' Retirement System of the State of Illinois, the State Universities~~

Retirement System, the Judges Retirement System of Illinois, the General Assembly Retirement System, and the State Employees' Retirement System of Illinois after March 5, 2004 (the effective date of Public Act 93-665) during the remainder of fiscal year 2004 to the designated retirement systems from the appropriations provided for in this Section if the transfers provided in Section 6z-61 had not occurred. The transfers described in this subsection (d-1) are to partially repay the General Revenue Fund for the costs associated with the bonds used to fund the moneys transferred to the designated retirement systems under Section 6z-61.

(e) The changes to this Section made by Public Act 88-593 shall first apply to distributions from the Fund for State fiscal year 1996.

(Source: P.A. 99-8, eff. 7-9-15; 99-78, eff. 7-20-15; 99-523, eff. 6-30-16; 100-22, eff. 1-1-18; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18.)

(30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

Sec. 14.1. Appropriations for State contributions to the State Employees' Retirement System; payroll requirements.

(a) Appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this Section. Except as otherwise provided in subsection subsections (a-1), (a-2), (a-3), and (a-4) at the time of each payment of salary to an employee under the personal services line item, payment shall be made to the State Employees' Retirement System, from the amount appropriated for State contributions to the State Employees' Retirement System, of an amount calculated at the rate certified for the applicable fiscal year by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. If a line item appropriation to an employer for this purpose is exhausted or is unavailable due to any limitation on appropriations that may apply, (including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act), the amounts shall be paid under the continuing appropriation for this purpose contained in the State Pension Funds Continuing Appropriation Act.

(a-1) ~~(Blank). Beginning on March 5, 2004 (the effective date of Public Act 93-665) through the payment of the final payroll from fiscal year 2004 appropriations, appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this subsection (a-1). At the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the General Revenue Fund from the amount appropriated for State contributions to the State Employees' Retirement System of an amount calculated at the rate certified for fiscal year 2004 by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. No payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.~~

(a-2) ~~(Blank). For fiscal year 2010 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2010 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2010 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.~~

(a-3) ~~(Blank). For fiscal year 2011 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2011 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2011 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.~~

(a-4) In fiscal year years 2012 and each fiscal year thereafter through 2019 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for the applicable fiscal year by the Board of Trustees of the

State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. In fiscal year years 2012 and each fiscal year thereafter through 2019 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(b) Except during the period beginning on March 5, 2004 (the effective date of Public Act 93-665) and ending at the time of the payment of the final payroll from fiscal year 2004 appropriations, the State Comptroller shall not approve for payment any payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System, the Comptroller shall promptly so notify the Retirement System.

~~(b-1) (Blank). For fiscal year 2010 and fiscal year 2011 only, the State Comptroller shall not approve for payment any non-General Revenue Fund payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System of Illinois, the Comptroller shall promptly so notify the retirement system.~~

(c) Notwithstanding any other provisions of law, beginning July 1, 2007, required State and employee contributions to the State Employees' Retirement System of Illinois relating to affected legislative staff employees shall be paid out of moneys appropriated for that purpose to the Commission on Government Forecasting and Accountability, rather than out of the lump-sum appropriations otherwise made for the payroll and other costs of those employees.

These payments must be made pursuant to payroll vouchers submitted by the employing entity as part of the regular payroll voucher process.

For the purpose of this subsection, "affected legislative staff employees" means legislative staff employees paid out of lump-sum appropriations made to the General Assembly, an Officer of the General Assembly, or the Senate Operations Commission, but does not include district-office staff or employees of legislative support services agencies.

(Source: P.A. 99-8, eff. 7-9-15; 99-523, eff. 6-30-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

Section 10-10. The Illinois Pension Code is amended by changing Sections 14-103.05, 14-131, 14-147.5, 14-147.6, 14-152.1, 15-155, 15-185.5, 15-185.6, 15-198, 16-158, 16-190.5, 16-190.6, and 16-203 as follows:

(40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)

Sec. 14-103.05. Employee.

(a) Any person employed by a Department who receives salary for personal services rendered to the Department on a warrant issued pursuant to a payroll voucher certified by a Department and drawn by the State Comptroller upon the State Treasurer, including an elected official described in subparagraph (d) of Section 14-104, shall become an employee for purpose of membership in the Retirement System on the first day of such employment.

A person entering service on or after January 1, 1972 and prior to January 1, 1984 shall become a member as a condition of employment and shall begin making contributions as of the first day of employment.

A person entering service on or after January 1, 1984 shall, upon completion of 6 months of continuous service which is not interrupted by a break of more than 2 months, become a member as a condition of employment. Contributions shall begin the first of the month after completion of the qualifying period.

A person employed by the Chicago Metropolitan Agency for Planning on the effective date of this amendatory Act of the 95th General Assembly who was a member of this System as an employee of the

Chicago Area Transportation Study and makes an election under Section 14-104.13 to participate in this System for his or her employment with the Chicago Metropolitan Agency for Planning.

The qualifying period of 6 months of service is not applicable to: (1) a person who has been granted credit for service in a position covered by the State Universities Retirement System, the Teachers' Retirement System of the State of Illinois, the General Assembly Retirement System, or the Judges Retirement System of Illinois unless that service has been forfeited under the laws of those systems; (2) a person entering service on or after July 1, 1991 in a noncovered position; (3) a person to whom Section 14-108.2a or 14-108.2b applies; or (4) a person to whom subsection (a-5) of this Section applies.

(a-5) A person entering service on or after December 1, 2010 shall become a member as a condition of employment and shall begin making contributions as of the first day of employment. A person serving in the qualifying period on December 1, 2010 will become a member on December 1, 2010 and shall begin making contributions as of December 1, 2010.

(b) The term "employee" does not include the following:

(1) members of the State Legislature, and persons electing to become members of the General Assembly Retirement System pursuant to Section 2-105;

(2) incumbents of offices normally filled by vote of the people;

(3) except as otherwise provided in this Section, any person appointed by the Governor with the advice and consent of the Senate unless that person elects to participate in this system;

(3.1) any person serving as a commissioner of an ethics commission created under the State Officials and Employees Ethics Act unless that person elects to participate in this system with respect to that service as a commissioner;

(3.2) any person serving as a part-time employee in any of the following positions: Legislative Inspector General, Special Legislative Inspector General, employee of the Office of the Legislative Inspector General, Executive Director of the Legislative Ethics Commission, or staff of the Legislative Ethics Commission, regardless of whether he or she is in active service on or after July 8, 2004 (the effective date of Public Act 93-685), unless that person elects to participate in this System with respect to that service; in this item (3.2), a "part-time employee" is a person who is not required to work at least 35 hours per week;

(3.3) any person who has made an election under Section 1-123 and who is serving either as legal counsel in the Office of the Governor or as Chief Deputy Attorney General;

(4) except as provided in Section 14-108.2 or 14-108.2c, any person who is covered or eligible to be covered by the Teachers' Retirement System of the State of Illinois, the State Universities Retirement System, or the Judges Retirement System of Illinois;

(5) an employee of a municipality or any other political subdivision of the State;

(6) any person who becomes an employee after June 30, 1979 as a public service employment program participant under the Federal Comprehensive Employment and Training Act and whose wages or fringe benefits are paid in whole or in part by funds provided under such Act;

(7) enrollees of the Illinois Young Adult Conservation Corps program, administered by the Department of Natural Resources, authorized grantee pursuant to Title VIII of the "Comprehensive Employment and Training Act of 1973", 29 USC 993, as now or hereafter amended;

(8) enrollees and temporary staff of programs administered by the Department of Natural Resources under the Youth Conservation Corps Act of 1970;

(9) any person who is a member of any professional licensing or disciplinary board created under an Act administered by the Department of Professional Regulation or a successor agency or created or re-created after the effective date of this amendatory Act of 1997, and who receives per diem compensation rather than a salary, notwithstanding that such per diem compensation is paid by warrant issued pursuant to a payroll voucher; such persons have never been included in the membership of this System, and this amendatory Act of 1987 (P.A. 84-1472) is not intended to effect any change in the status of such persons;

(10) any person who is a member of the Illinois Health Care Cost Containment Council, and receives per diem compensation rather than a salary, notwithstanding that such per diem compensation is paid by warrant issued pursuant to a payroll voucher; such persons have never been included in the membership of this System, and this amendatory Act of 1987 is not intended to effect any change in the status of such persons;

(11) any person who is a member of the Oil and Gas Board created by Section 1.2 of the Illinois Oil and Gas Act, and receives per diem compensation rather than a salary, notwithstanding that such per diem compensation is paid by warrant issued pursuant to a payroll voucher;

(12) a person employed by the State Board of Higher Education in a position with the

Illinois Century Network as of June 30, 2004, who remains continuously employed after that date by the Department of Central Management Services in a position with the Illinois Century Network and participates in the Article 15 system with respect to that employment;

(13) any person who first becomes a member of the Civil Service Commission on or after January 1, 2012;

(14) any person, other than the Director of Employment Security, who first becomes a member of the Board of Review of the Department of Employment Security on or after January 1, 2012;

(15) any person who first becomes a member of the Civil Service Commission on or after January 1, 2012;

(16) any person who first becomes a member of the Illinois Liquor Control Commission on or after January 1, 2012;

(17) any person who first becomes a member of the Secretary of State Merit Commission on or after January 1, 2012;

(18) any person who first becomes a member of the Human Rights Commission on or after January 1, 2012 unless he or she is eligible to participate in accordance with subsection (d) of this Section;

(19) any person who first becomes a member of the State Mining Board on or after January 1, 2012;

(20) any person who first becomes a member of the Property Tax Appeal Board on or after January 1, 2012;

(21) any person who first becomes a member of the Illinois Racing Board on or after January 1, 2012;

(22) any person who first becomes a member of the Department of State Police Merit Board on or after January 1, 2012;

(23) any person who first becomes a member of the Illinois State Toll Highway Authority on or after January 1, 2012; or

(24) any person who first becomes a member of the Illinois State Board of Elections on or after January 1, 2012.

(c) An individual who represents or is employed as an officer or employee of a statewide labor organization that represents members of this System may participate in the System and shall be deemed an employee, provided that (1) the individual has previously earned creditable service under this Article, (2) the individual files with the System an irrevocable election to become a participant within 6 months after the effective date of this amendatory Act of the 94th General Assembly, and (3) the individual does not receive credit for that employment under any other provisions of this Code. An employee under this subsection (c) is responsible for paying to the System both (i) employee contributions based on the actual compensation received for service with the labor organization and (ii) employer contributions based on the percentage of payroll certified by the board; all or any part of these contributions may be paid on the employee's behalf or picked up for tax purposes (if authorized under federal law) by the labor organization.

A person who is an employee as defined in this subsection (c) may establish service credit for similar employment prior to becoming an employee under this subsection by paying to the System for that employment the contributions specified in this subsection, plus interest at the effective rate from the date of service to the date of payment. However, credit shall not be granted under this subsection (c) for any such prior employment for which the applicant received credit under any other provision of this Code or during which the applicant was on a leave of absence.

(d) A person appointed as a member of the Human Rights Commission on or after June 1, 2019 may elect to participate in the System and shall be deemed an employee. Service and contributions shall begin on the first payroll period immediately following the employee's election to participate in the System.

A person who is an employee as described in this subsection (d) may establish service credit for employment as a Human Rights Commissioner that occurred on or after June 1, 2019 and before establishing service under this subsection by paying to the System for that employment the contributions specified in paragraph (1) of subsection (a) of Section 14-133, plus regular interest from the date of service to the date of payment.

(Source: P.A. 96-1490, eff. 1-1-11; 97-609, eff. 1-1-12.)

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with other employer contributions from trust, federal, and other funds, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

[June 2, 2019]

For the purposes of this Section and Section 14-135.08, references to State contributions refer only to employer contributions and do not include employee contributions that are picked up or otherwise paid by the State or a department on behalf of the employee.

(b) The Board shall determine the total amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board, using the formula in subsection (e).

The Board shall also determine a State contribution rate for each fiscal year, expressed as a percentage of payroll, based on the total required State contribution for that fiscal year (less the amount received by the System from appropriations under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act, if any, for the fiscal year ending on the June 30 immediately preceding the applicable November 15 certification deadline), the estimated payroll (including all forms of compensation) for personal services rendered by eligible employees, and the recommendations of the actuary.

For the purposes of this Section and Section 14.1 of the State Finance Act, the term "eligible employees" includes employees who participate in the System, persons who may elect to participate in the System but have not so elected, persons who are serving a qualifying period that is required for participation, and annuitants employed by a department as described in subdivision (a)(1) or (a)(2) of Section 14-111.

(c) Contributions shall be made by the several departments for each pay period by warrants drawn by the State Comptroller against their respective funds or appropriations based upon vouchers stating the amount to be so contributed. These amounts shall be based on the full rate certified by the Board under Section 14-135.08 for that fiscal year. From March 5, 2004 (the effective date of Public Act 93-665) through the payment of the final payroll from fiscal year 2004 appropriations, the several departments shall not make contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The several departments shall resume those contributions at the commencement of fiscal year 2005.

(c-1) Notwithstanding subsection (c) of this Section, for fiscal years 2010, 2012, and each fiscal year thereafter 2013, 2014, 2015, 2016, 2017, 2018, and 2019 only, contributions by the several departments are not required to be made for General Revenue Funds payrolls processed by the Comptroller. Payrolls paid by the several departments from all other State funds must continue to be processed pursuant to subsection (c) of this Section.

(c-2) For State fiscal years 2010, 2012, and each fiscal year thereafter 2013, 2014, 2015, 2016, 2017, 2018, and 2019 only, on or as soon as possible after the 15th day of each month, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the fiscal year General Revenue Fund contribution as certified by the System pursuant to Section 14-135.08 of the Illinois Pension Code.

(d) If an employee is paid from trust funds or federal funds, the department or other employer shall pay employer contributions from those funds to the System at the certified rate, unless the terms of the trust or the federal-State agreement preclude the use of the funds for that purpose, in which case the required employer contributions shall be paid by the State. ~~From March 5, 2004 (the effective date of Public Act 93-665) through the payment of the final payroll from fiscal year 2004 appropriations, the department or other employer shall not pay contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The department or other employer shall resume payment of contributions at the commencement of fiscal year 2005.~~

(e) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applies in State fiscal year 2018 or thereafter shall be implemented in equal annual amounts over a 5-year period beginning in the State fiscal year in which the actuarial change first applies to the required State contribution.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applied to the State contribution in fiscal year 2014, 2015, 2016, or 2017 shall be implemented:

- (i) as already applied in State fiscal years before 2018; and
- (ii) in the portion of the 5-year period beginning in the State fiscal year in which the

actuarial change first applied that occurs in State fiscal year 2018 or thereafter, by calculating the change in equal annual amounts over that 5-year period and then implementing it at the resulting annual rate in each of the remaining fiscal years in that 5-year period.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that (i) for State fiscal year 1998, for all purposes of this Code and any other law of this State, the certified percentage of the applicable employee payroll shall be 5.052% for employees earning eligible creditable service under Section 14-110 and 6.500% for all other employees, notwithstanding any contrary certification made under Section 14-135.08 before July 7, 1997 (the effective date of Public Act 90-65), and (ii) in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a): 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

~~Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2006 is \$203,783,900.~~

~~Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2007 is \$344,164,400.~~

~~For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.~~

~~Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2010 is \$723,703,100 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.~~

~~Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to Section 14-135.08 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.~~

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

~~Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 14-135.08, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.~~

(f) ~~(Blank)~~. After the submission of all payments for eligible employees from personal services line items in fiscal year 2004 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2004 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of Public Act 93-665 had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2004 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2004 through payments under this Section and under Section 6z-61 of the State Finance Act. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2004 Shortfall" for purposes of this Section, and the Fiscal Year 2004 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2004 Overpayment" for purposes of this Section, and the Fiscal Year 2004 Overpayment shall be repaid by the System to the Pension Contribution Fund as soon as practicable after the certification.

(g) ~~(Blank)~~. For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(h) For purposes of determining the required State contribution to the System for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the System's actuarially assumed rate of return.

(i) ~~(Blank)~~. After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2010 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2010 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of Public Act 96-45 had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2010 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2010 through payments under this Section. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2010 Shortfall" for purposes of this Section, and the Fiscal Year 2010 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2010 Overpayment" for purposes of this Section, and the Fiscal Year 2010 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(j) ~~(Blank)~~. After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2011 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2011 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of Public Act 96-1497 had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2011 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2011 through payments under this Section. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2011 Shortfall" for purposes of this Section, and the Fiscal Year 2011 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2011 Overpayment" for purposes of this Section, and the Fiscal Year 2011 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(k) For fiscal year years 2012 and each fiscal year thereafter through 2019 only, after the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in the fiscal year have been made, the Comptroller shall provide to the System a certification of the sum of all expenditures in the fiscal year for personal services. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for the fiscal year in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System for the fiscal year. If the amount due is

more than the amount received, the difference shall be termed the "Prior Fiscal Year Shortfall" for purposes of this Section, and the Prior Fiscal Year Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Prior Fiscal Year Overpayment" for purposes of this Section, and the Prior Fiscal Year Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(Source: P.A. 99-8, eff. 7-9-15; 99-523, eff. 6-30-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)
(40 ILCS 5/14-147.5)

Sec. 14-147.5. Accelerated pension benefit payment in lieu of any pension benefit.

(a) As used in this Section:

"Eligible person" means a person who:

- (1) has terminated service;
- (2) has accrued sufficient service credit to be eligible to receive a retirement annuity under this Article;
- (3) has not received any retirement annuity under this Article; and
- (4) has not made the election under Section 14-147.6.

"Pension benefit" means the benefits under this Article, or Article 1 as it relates to those benefits, including any anticipated annual increases, that an eligible person is entitled to upon attainment of the applicable retirement age. "Pension benefit" also includes applicable survivor's or disability benefits.

(b) As soon as practical after June 4, 2018 (the effective date of Public Act 100-587) ~~this amendatory Act of the 100th General Assembly~~, the System shall calculate, using actuarial tables and other assumptions adopted by the Board, the present value of pension benefits for each eligible person who requests that information and shall offer each eligible person the opportunity to irrevocably elect to receive an amount determined by the System to be equal to 60% of the present value of his or her pension benefits in lieu of receiving any pension benefit. The offer shall specify the dollar amount that the eligible person will receive if he or she so elects and shall expire when a subsequent offer is made to an eligible person. An eligible person is limited to one calculation and offer per calendar year. The System shall make a good faith effort to contact every eligible person to notify him or her of the election.

Until June 30, ~~2024~~ 2024, an eligible person may irrevocably elect to receive an accelerated pension benefit payment in the amount that the System offers under this subsection in lieu of receiving any pension benefit. A person who elects to receive an accelerated pension benefit payment under this Section may not elect to proceed under the Retirement Systems Reciprocal Act with respect to service under this Article.

(c) A person's creditable service under this Article shall be terminated upon the person's receipt of an accelerated pension benefit payment under this Section, and no other benefit shall be paid under this Article based on the terminated creditable service, including any retirement, survivor, or other benefit; except that to the extent that participation, benefits, or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit, the terminated service credit shall be used for that purpose.

(d) If a person who has received an accelerated pension benefit payment under this Section returns to active service under this Article, then:

- (1) Any benefits under the System earned as a result of that return to active service shall be based solely on the person's creditable service arising from the return to active service.
- (2) The accelerated pension benefit payment may not be repaid to the System, and the terminated creditable service may not under any circumstances be reinstated.

(e) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be transferred into a tax qualified retirement plan or account. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) Upon receipt of a member's irrevocable election to receive an accelerated pension benefit payment under this Section, the System shall submit a voucher to the Comptroller for payment of the member's accelerated pension benefit payment. The Comptroller shall transfer the amount of the voucher from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall transfer the amount into the member's eligible retirement plan or qualified account.

(g) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(h) No provision of this Section shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18.)

[June 2, 2019]

(40 ILCS 5/14-147.6)

Sec. 14-147.6. Accelerated pension benefit payment for a reduction in annual retirement annuity and survivor's annuity increases.

(a) As used in this Section:

"Accelerated pension benefit payment" means a lump sum payment equal to 70% of the difference of the present value of the automatic annual increases to a Tier 1 member's retirement annuity and survivor's annuity using the formula applicable to the Tier 1 member and the present value of the automatic annual increases to the Tier 1 member's retirement annuity using the formula provided under subsection (b-5) and survivor's annuity using the formula provided under subsection (b-6).

"Eligible person" means a person who:

- (1) is a Tier 1 member;
- (2) has submitted an application for a retirement annuity under this Article;
- (3) meets the age and service requirements for receiving a retirement annuity under this Article;
- (4) has not received any retirement annuity under this Article; and
- (5) has not made the election under Section 14-147.5.

(b) As soon as practical after June 4, 2018 (the effective date of Public Act 100-587) ~~this amendatory Act of the 100th General Assembly~~ and until June 30, ~~2024~~ 2021, the System shall implement an accelerated pension benefit payment option for eligible persons. Upon the request of an eligible person, the System shall calculate, using actuarial tables and other assumptions adopted by the Board, an accelerated pension benefit payment amount and shall offer that eligible person the opportunity to irrevocably elect to have his or her automatic annual increases in retirement annuity calculated in accordance with the formula provided under subsection (b-5) and any increases in survivor's annuity payable to his or her survivor's annuity beneficiary calculated in accordance with the formula provided under subsection (b-6) in exchange for the accelerated pension benefit payment. The election under this subsection must be made before the eligible person receives the first payment of a retirement annuity otherwise payable under this Article.

(b-5) Notwithstanding any other provision of law, the retirement annuity of a person who made the election under subsection (b) shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 1.5% of the originally granted retirement annuity.

(b-6) Notwithstanding any other provision of law, a survivor's annuity payable to a survivor's annuity beneficiary of a person who made the election under subsection (b) shall be subject to annual increases on the January 1 occurring on or after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 1.5% of the originally granted survivor's annuity.

(c) If a person who has received an accelerated pension benefit payment returns to active service under this Article, then:

- (1) the calculation of any future automatic annual increase in retirement annuity shall be calculated in accordance with the formula provided under subsection (b-5); and
- (2) the accelerated pension benefit payment may not be repaid to the System.

(d) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be transferred into a tax qualified retirement plan or account. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(d-5) Upon receipt of a member's irrevocable election to receive an accelerated pension benefit payment under this Section, the System shall submit a voucher to the Comptroller for payment of the member's accelerated pension benefit payment. The Comptroller shall transfer the amount of the voucher to the System, and the System shall transfer the amount into a member's eligible retirement plan or qualified account.

(e) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(f) No provision of this Section shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18.)

(40 ILCS 5/14-152.1)

Sec. 14-152.1. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this

Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 96-37, Public Act 100-23, Public Act 100-587, Public Act 100-611, or this amendatory Act of the 101st General Assembly or this amendatory Act of the 100th General Assembly.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-611, eff. 7-20-18; revised 7-25-18.)

(40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

Sec. 15-155. Employer contributions.

(a) The State of Illinois shall make contributions by appropriations of amounts which, together with the other employer contributions from trust, federal, and other funds, employee contributions, income from investments, and other income of this System, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (a-1).

(a-1) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For each of State fiscal years 2018, 2019, and 2020, the State shall make an additional contribution to the System equal to 2% of the total payroll of each employee who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applies in State fiscal year 2018 or thereafter shall be implemented in equal annual amounts over a 5-year period beginning in the State fiscal year in which the actuarial change first applies to the required State contribution.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applied to the State contribution in fiscal year 2014, 2015, 2016, or 2017 shall be implemented:

- (i) as already applied in State fiscal years before 2018; and
- (ii) in the portion of the 5-year period beginning in the State fiscal year in which the

actuarial change first applied that occurs in State fiscal year 2018 or thereafter, by calculating the change in equal annual amounts over that 5-year period and then implementing it at the resulting annual rate in each of the remaining fiscal years in that 5-year period.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$166,641,900.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$252,064,100.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$702,514,000 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to Section 15-165 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(a-2) Beginning in fiscal year 2018, each employer under this Article shall pay to the System a required contribution determined as a percentage of projected payroll and sufficient to produce an annual amount equal to:

(i) for each of fiscal years 2018, 2019, and 2020, the defined benefit normal cost of the defined benefit plan, less the employee contribution, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161; for fiscal year 2021 and each fiscal year thereafter, the defined benefit normal cost of the defined benefit plan, less the employee contribution, plus 2%, for each

employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161; plus

(ii) the amount required for that fiscal year to amortize any unfunded actuarial accrued

liability associated with the present value of liabilities attributable to the employer's account under Section 15-155.2, determined as a level percentage of payroll over a 30-year rolling amortization period.

In determining contributions required under item (i) of this subsection, the System shall determine an aggregate rate for all employers, expressed as a percentage of projected payroll.

In determining the contributions required under item (ii) of this subsection, the amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation.

The contributions required under this subsection (a-2) shall be paid by an employer concurrently with that employer's payroll payment period. The State, as the actual employer of an employee, shall make the required contributions under this subsection.

As used in this subsection, "academic year" means the 12-month period beginning September 1.

(b) If an employee is paid from trust or federal funds, the employer shall pay to the Board contributions from those funds which are sufficient to cover the accruing normal costs on behalf of the employee. However, universities having employees who are compensated out of local auxiliary funds, income funds, or service enterprise funds are not required to pay such contributions on behalf of those employees. The local auxiliary funds, income funds, and service enterprise funds of universities shall not be considered trust funds for the purpose of this Article, but funds of alumni associations, foundations, and athletic associations which are affiliated with the universities included as employers under this Article and other employers which do not receive State appropriations are considered to be trust funds for the purpose of this Article.

(b-1) The City of Urbana and the City of Champaign shall each make employer contributions to this System for their respective firefighter employees who participate in this System pursuant to subsection (h) of Section 15-107. The rate of contributions to be made by those municipalities shall be determined annually by the Board on the basis of the actuarial assumptions adopted by the Board and the recommendations of the actuary, and shall be expressed as a percentage of salary for each such employee. The Board shall certify the rate to the affected municipalities as soon as may be practical. The employer contributions required under this subsection shall be remitted by the municipality to the System at the same time and in the same manner as employee contributions.

(c) Through State fiscal year 1995: The total employer contribution shall be apportioned among the various funds of the State and other employers, whether trust, federal, or other funds, in accordance with actuarial procedures approved by the Board. State of Illinois contributions for employers receiving State appropriations for personal services shall be payable from appropriations made to the employers or to the System. The contributions for Class I community colleges covering earnings other than those paid from trust and federal funds, shall be payable solely from appropriations to the Illinois Community College Board or the System for employer contributions.

(d) Beginning in State fiscal year 1996, the required State contributions to the System shall be appropriated directly to the System and shall be payable through vouchers issued in accordance with subsection (c) of Section 15-165, except as provided in subsection (g).

(e) The State Comptroller shall draw warrants payable to the System upon proper certification by the System or by the employer in accordance with the appropriation laws and this Code.

(f) Normal costs under this Section means liability for pensions and other benefits which accrues to the System because of the credits earned for service rendered by the participants during the fiscal year and expenses of administering the System, but shall not include the principal of or any redemption premium or interest on any bonds issued by the Board or any expenses incurred or deposits required in connection therewith.

(g) ~~If For academic years beginning on or after June 1, 2005 and before July 1, 2018 and for earnings paid to a participant under a contract or collective bargaining agreement entered into, amended, or renewed before the effective date of this amendatory Act of the 100th General Assembly, if the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial~~

valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection (g), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (h) or (i) of this Section ~~or that subsection (g-1) applies~~, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (g) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

When assessing payment for any amount due under this subsection (g), the System shall include earnings, to the extent not established by a participant under Section 15-113.11 or 15-113.12, that would have been paid to the participant had the participant not taken (i) periods of voluntary or involuntary furlough occurring on or after July 1, 2015 and on or before June 30, 2017 or (ii) periods of voluntary pay reduction in lieu of furlough occurring on or after July 1, 2015 and on or before June 30, 2017. Determining earnings that would have been paid to a participant had the participant not taken periods of voluntary or involuntary furlough or periods of voluntary pay reduction shall be the responsibility of the employer, and shall be reported in a manner prescribed by the System.

This subsection (g) does not apply to (1) Tier 2 hybrid plan members and (2) Tier 2 defined benefit members who first participate under this Article on or after the implementation date of the Optional Hybrid Plan.

~~(g-1) (Blank). For academic years beginning on or after July 1, 2018 and for earnings paid to a participant under a contract or collective bargaining agreement entered into, amended, or renewed on or after the effective date of this amendatory Act of the 100th General Assembly, if the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 3%, then the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 3%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.~~

~~Whenever it determines that a payment is or may be required under this subsection (g-1), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that subsection (g) of this Section applies, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of subsection (g). Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.~~

~~The employer contributions required under this subsection (g-1) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest shall be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.~~

~~This subsection (g-1) does not apply to (1) Tier 2 hybrid plan members and (2) Tier 2 defined benefit members who first participate under this Article on or after the implementation date of the Optional Hybrid Plan.~~

(h) This subsection (h) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to a participant at a time when the participant is 10 or more years from retirement eligibility under Section 15-135.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to the System, and the System has approved the certification, that: (i) in the case of overloads (A) the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid and (B) the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and (ii) in the case of overtime, the overtime was necessary for the educational mission.

When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase resulting from (i) a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System, (ii) a promotion in academic rank for a tenured or tenure-track faculty position, or (iii) a promotion that the Illinois Community College Board has recommended in accordance with subsection (k) of this Section. These earnings increases shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.

(i) When assessing payment for any amount due under subsection (g), the System shall exclude any salary increase described in subsection (h) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (g) of this Section.

(j) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(j-5) For State fiscal years beginning on or after July 1, 2017, if the amount of a participant's earnings for any State fiscal year exceeds the amount of the salary set by law for the Governor that is in effect on July 1 of that fiscal year, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, an amount determined by the System to be equal to the employer normal cost, as established by the System and expressed as a total percentage of payroll, multiplied by the amount of earnings in excess of the amount of the salary set by law for the Governor. This amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculation used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection may be paid in the form of a lump sum within 90 days after issuance of the bill. If the employer contributions are not paid within 90 days after issuance of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after issuance of the bill. All payments must be received within 3 years after issuance of the bill. If the employer fails to make complete payment,

including applicable interest, within 3 years, then the System may, after giving notice to the employer, certify the delinquent amount to the State Comptroller, and the Comptroller shall thereupon deduct the certified delinquent amount from State funds payable to the employer and pay them instead to the System.

This subsection (j-5) does not apply to a participant's earnings to the extent an employer pays the employer normal cost of such earnings.

The changes made to this subsection (j-5) by Public Act 100-624 ~~this amendatory Act of the 100th General Assembly~~ are intended to apply retroactively to July 6, 2017 (the effective date of Public Act 100-23).

(k) The Illinois Community College Board shall adopt rules for recommending lists of promotional positions submitted to the Board by community colleges and for reviewing the promotional lists on an annual basis. When recommending promotional lists, the Board shall consider the similarity of the positions submitted to those positions recognized for State universities by the State Universities Civil Service System. The Illinois Community College Board shall file a copy of its findings with the System. The System shall consider the findings of the Illinois Community College Board when making determinations under this Section. The System shall not exclude any earnings increases resulting from a promotion when the promotion was not submitted by a community college. Nothing in this subsection (k) shall require any community college to submit any information to the Community College Board.

(l) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(m) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 99-897, eff. 1-1-17; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-624, eff. 7-20-18; revised 7-30-18.)

(40 ILCS 5/15-185.5)

Sec. 15-185.5. Accelerated pension benefit payment in lieu of any pension benefit.

(a) As used in this Section:

"Eligible person" means a person who:

- (1) has terminated service;
- (2) has accrued sufficient service credit to be eligible to receive a retirement annuity under this Article;
- (3) has not received any retirement annuity under this Article;
- (4) has not made the election under Section 15-185.6; and
- (5) is not a participant in the self-managed plan under Section 15-158.2.

"Implementation date" means the earliest date upon which the Board authorizes eligible persons to begin irrevocably electing the accelerated pension benefit payment option under this Section. The Board shall endeavor to make such participation available as soon as possible after June 4, 2018 ~~(the effective date of Public Act 100-587) this amendatory Act of the 100th General Assembly~~ and shall establish an implementation date by Board resolution.

"Pension benefit" means the benefits under this Article, or Article 1 as it relates to those benefits, including any anticipated annual increases, that an eligible person is entitled to upon attainment of the applicable retirement age. "Pension benefit" also includes applicable survivors benefits, disability benefits, or disability retirement annuity benefits.

(b) Beginning on the implementation date, the System shall offer each eligible person the opportunity to irrevocably elect to receive an amount determined by the System to be equal to 60% of the present value of his or her pension benefits in lieu of receiving any pension benefit. The System shall calculate, using actuarial tables and other assumptions adopted by the Board, the present value of pension benefits for each eligible person upon his or her request in writing to the System. The System shall not perform more than one calculation per eligible member in a State fiscal year. The offer shall specify the dollar amount that the eligible person will receive if he or she so elects and shall expire when a subsequent offer is made to an eligible person. The System shall make a good faith effort to contact every eligible person to notify him or her of the election.

Beginning on the implementation date and until June 30, ~~2024~~ 2024, an eligible person may irrevocably elect to receive an accelerated pension benefit payment in the amount that the System offers under this subsection in lieu of receiving any pension benefit. A person who elects to receive an accelerated pension

benefit payment under this Section may not elect to proceed under the Retirement Systems Reciprocal Act with respect to service under this Article.

(c) Upon payment of an accelerated pension benefit payment under this Section, the person forfeits all accrued rights and credits in the System and no other benefit shall be paid under this Article based on those forfeited rights and credits, including any retirement, survivor, or other benefit; except that to the extent that participation, benefits, or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit, the terminated service credit shall be used for that purpose.

(d) If a person who has received an accelerated pension benefit payment under this Section returns to participation under this Article, any benefits under the System earned as a result of that return to participation shall be based solely on the person's credits and creditable service arising from the return to participation. Upon return to participation, the person shall be considered a new employee subject to all the qualifying conditions for participation and eligibility for benefits applicable to new employees.

(d-5) The accelerated pension benefit payment may not be repaid to the System, and the forfeited rights and credits may not under any circumstances be reinstated.

(e) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be deposited into a tax qualified retirement plan or account identified by the eligible person at the time of the election. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) The System shall submit vouchers to the State Comptroller for the payment of accelerated pension benefit payments under this Section. The State Comptroller shall pay the amounts of the vouchers from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall deposit the amounts into the applicable tax qualified plans or accounts.

(g) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(h) No provision of this Section shall be interpreted in a way that would cause the System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18.)

(40 ILCS 5/15-185.6)

Sec. 15-185.6. Accelerated pension benefit payment for a reduction in an annual increase to a retirement annuity and an annuity benefit payable as a result of death.

(a) As used in this Section:

"Accelerated pension benefit payment" means a lump sum payment equal to 70% of the difference of: (i) the present value of the automatic annual increases to a Tier 1 member's retirement annuity, including any increases to any annuity benefit payable as a result of his or her death, using the formula applicable to the Tier 1 member; and (ii) the present value of the automatic annual increases to the Tier 1 member's retirement annuity, including any increases to any annuity benefit payable as a result of his or her death, using the formula provided under subsection (b-5).

"Eligible person" means a person who:

- (1) is a Tier 1 member;
- (2) has submitted an application for a retirement annuity under this Article;
- (3) meets the age and service requirements for receiving a retirement annuity under this Article;
- (4) has not received any retirement annuity under this Article;
- (5) has not made the election under Section 15-185.5; and
- (6) is not a participant in the self-managed plan under Section 15-158.2.

"Implementation date" means the earliest date upon which the Board authorizes eligible persons to begin irrevocably electing the accelerated pension benefit payment option under this Section. The Board shall endeavor to make such participation available as soon as possible after June 4, 2018 (the effective date of Public Act 100-587) ~~this amendatory Act of the 100th General Assembly~~ and shall establish an implementation date by Board resolution.

(b) Beginning on the implementation date and until June 30, 2024 ~~2024~~, the System shall implement an accelerated pension benefit payment option for eligible persons. The System shall calculate, using actuarial tables and other assumptions adopted by the Board, an accelerated pension benefit payment amount for an eligible person upon his or her request in writing to the System and shall offer that eligible person the opportunity to irrevocably elect to have his or her automatic annual increases in retirement annuity and any annuity benefit payable as a result of his or her death calculated in accordance with the formula provided in subsection (b-5) in exchange for the accelerated pension benefit payment. The System shall

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not perform more than one calculation under this Section per eligible person in a State fiscal year. The election under this subsection must be made before any retirement annuity is paid to the eligible person, and the eligible survivor, spouse, or contingent annuitant, as applicable, must consent to the election under this subsection.

(b-5) Notwithstanding any other provision of law, the retirement annuity of a person who made the election under subsection (b) shall be increased annually beginning on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later, and any annuity benefit payable as a result of his or her death shall be increased annually beginning on: (1) the January 1 occurring on or after the commencement of the annuity if the deceased Tier 1 member died while receiving a retirement annuity; or (2) the January 1 occurring after the first anniversary of the commencement of the benefit. Each annual increase shall be calculated at 1.5% of the originally granted retirement annuity or annuity benefit payable as a result of the Tier 1 member's death.

(c) If an annuitant who has received an accelerated pension benefit payment returns to participation under this Article, the calculation of any future automatic annual increase in retirement annuity under subsection (c) of Section 15-139 shall be calculated in accordance with the formula provided in subsection (b-5).

(c-5) The accelerated pension benefit payment may not be repaid to the System.

(d) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be deposited into a tax qualified retirement plan or account identified by the eligible person at the time of election. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(d-5) The System shall submit vouchers to the State Comptroller for the payment of accelerated pension benefit payments under this Section. The State Comptroller shall pay the amounts of the vouchers from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall deposit the amounts into the applicable tax qualified plans or accounts.

(e) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(f) No provision of this Section shall be interpreted in a way that would cause the System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18.)

(40 ILCS 5/15-198)

Sec. 15-198. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after the effective date of this amendatory Act of the 94th General Assembly. "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 100-23, Public Act 100-587, Public Act 100-769, or this amendatory Act of the 101st General Assembly ~~or this amendatory Act of the 100th General Assembly.~~

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-769, eff. 8-10-18; revised 9-26-18.)

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

Sec. 16-158. Contributions by State and other employing units.

(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (b-3).

(a-1) Annually, on or before November 15 until November 15, 2011, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification under this subsection (a-1) shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by Public Act 94-4.

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(a-10) By November 1, 2017, the Board shall recalculate and recertify to the State Actuary, the Governor, and the General Assembly the amount of the State contribution to the System for State fiscal year 2018, taking into account the changes in required State contributions made by Public Act 100-23. The State Actuary shall review the assumptions and valuations underlying the Board's revised certification and issue a preliminary report concerning the proposed recertification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. The Board's final certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(a-15) On or after June 15, 2019, but no later than June 30, 2019, the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the State contribution to the System for State fiscal year 2019, taking into account the changes in required State contributions made by Public Act 100-587 ~~this amendatory Act of the 100th General Assembly~~. The recalculation shall be made using assumptions adopted by the Board for the original fiscal year 2019 certification. The monthly voucher for

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the 12th month of fiscal year 2019 shall be paid by the Comptroller after the recertification required pursuant to this subsection is submitted to the Governor, Comptroller, and General Assembly. The recertification submitted to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(b) Through State fiscal year 1995, the State contributions shall be paid to the System in accordance with Section 18-7 of the School Code.

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From March 5, 2004 (the effective date of Public Act 93-665) through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (a) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this subsection, the difference shall be paid from the Common School Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(b-2) Allocations from the Common School Fund apportioned to school districts not coming under this System shall not be diminished or affected by the provisions of this Article.

(b-3) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For each of State fiscal years 2018, 2019, and 2020, the State shall make an additional contribution to the System equal to 2% of the total payroll of each employee who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (c) of Section 1-161.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applies in State fiscal year 2018 or thereafter shall be implemented in equal annual amounts over a 5-year period beginning in the State fiscal year in which the actuarial change first applies to the required State contribution.

A change in an actuarial or investment assumption that increases or decreases the required State contribution and first applied to the State contribution in fiscal year 2014, 2015, 2016, or 2017 shall be implemented:

(i) as already applied in State fiscal years before 2018; and

(ii) in the portion of the 5-year period beginning in the State fiscal year in which the actuarial change first applied that occurs in State fiscal year 2018 or thereafter, by calculating the change in equal annual amounts over that 5-year period and then implementing it at the resulting annual rate in each of the remaining fiscal years in that 5-year period.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before May 27, 1998 (the effective date of Public Act 90-582): 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$534,627,700.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$738,014,500.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$2,089,268,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to subsection (a-1) of this Section and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include, in addition to the amount certified by the System, an amount necessary to meet employer contributions required by the State as an employer under paragraph (e) of this Section, which may also be used by the System for contributions required by paragraph (a) of Section 16-127.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(b-4) Beginning in fiscal year 2018, each employer under this Article shall pay to the System a required contribution determined as a percentage of projected payroll and sufficient to produce an annual amount equal to:

(i) for each of fiscal years 2018, 2019, and 2020, the defined benefit normal cost of the defined benefit plan, less the employee contribution, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (b) of Section 1-161; for fiscal year 2021 and each fiscal year thereafter, the defined benefit normal cost of the defined benefit plan, less the employee contribution, plus 2%, for each employee of that employer who has elected or who is deemed to have elected the benefits under Section 1-161 or who has made the election under subsection (b) of Section 1-161; plus

(ii) the amount required for that fiscal year to amortize any unfunded actuarial accrued liability associated with the present value of liabilities attributable to the employer's account under Section 16-158.3, determined as a level percentage of payroll over a 30-year rolling amortization period.

In determining contributions required under item (i) of this subsection, the System shall determine an aggregate rate for all employers, expressed as a percentage of projected payroll.

In determining the contributions required under item (ii) of this subsection, the amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation.

The contributions required under this subsection (b-4) shall be paid by an employer concurrently with that employer's payroll payment period. The State, as the actual employer of an employee, shall make the required contributions under this subsection.

(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, which, beginning July 1, 2017, shall be at a rate, expressed as a percentage of salary, equal to the total employer's normal cost, expressed as a percentage of payroll, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System. Any contribution for fiscal year 2015 collected as a result of the change made by Public Act 98-674 shall be considered a State contribution under subsection (b-3) of this Section.

(d) Effective July 1, 1986, any employer of a teacher as defined in paragraph (8) of Section 16-106 shall pay the employer's normal cost of benefits based upon the teacher's service, in addition to employee contributions, as determined by the System. Such employer contributions shall be forwarded monthly in accordance with guidelines established by the System.

However, with respect to benefits granted under Section 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8) of Section 16-106, the employer's contribution shall be 12% (rather than 20%) of the member's highest annual salary rate for each year of creditable service granted, and the employer shall also pay the required employee contribution on behalf of the teacher. For the purposes of Sections 16-133.4 and 16-133.5, a teacher as defined in paragraph (8) of Section 16-106 who is serving in that capacity while on leave of absence from another employer under this Article shall not be considered an employee of the employer from which the teacher is on leave.

(e) Beginning July 1, 1998, every employer of a teacher shall pay to the System an employer contribution computed as follows:

(1) Beginning July 1, 1998 through June 30, 1999, the employer contribution shall be equal to 0.3% of each teacher's salary.

(2) Beginning July 1, 1999 and thereafter, the employer contribution shall be equal to 0.58% of each teacher's salary.

The school district or other employing unit may pay these employer contributions out of any source of funding available for that purpose and shall forward the contributions to the System on the schedule established for the payment of member contributions.

These employer contributions are intended to offset a portion of the cost to the System of the increases in retirement benefits resulting from Public Act 90-582.

Each employer of teachers is entitled to a credit against the contributions required under this subsection (e) with respect to salaries paid to teachers for the period January 1, 2002 through June 30, 2003, equal to the amount paid by that employer under subsection (a-5) of Section 6.6 of the State Employees Group Insurance Act of 1971 with respect to salaries paid to teachers for that period.

The additional 1% employee contribution required under Section 16-152 by Public Act 90-582 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) ~~If For school years beginning on or after June 1, 2005 and before July 1, 2018 and for salary paid to a teacher under a contract or collective bargaining agreement entered into, amended, or renewed before the effective date of this amendatory Act of the 100th General Assembly, if the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall~~

pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by Public Act 94-1111 apply without regard to whether the teacher was in service on or after its effective date.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (g) or (h) of this Section or that subsection (f-1) of this Section applies, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

~~(f-1) (Blank). For school years beginning on or after July 1, 2018 and for salary paid to a teacher under a contract or collective bargaining agreement entered into, amended, or renewed on or after the effective date of this amendatory Act of the 100th General Assembly, if the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 3%, then the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 3%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.~~

~~Whenever it determines that a payment is or may be required under this subsection (f-1), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it shall, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that subsection (f) of this Section applies, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of subsection (f). Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.~~

~~The employer contributions required under this subsection (f-1) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest shall be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.~~

~~(g) This subsection (g) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).~~

~~When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.~~

~~When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility under Section 16-132 or 16-133.2.~~

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

When assessing payment for any amount due under subsection (f), the System shall exclude a salary increase resulting from a promotion (i) for which the employee is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board that is a different certification or supervisory endorsement than is required for the teacher's previous position and (ii) to a position that has existed and been filled by a member for no less than one complete academic year and the salary increase from the promotion is an increase that results in an amount no greater than the lesser of the average salary paid for other similar positions in the district requiring the same certification or the amount stipulated in the collective bargaining agreement for a similar position requiring the same certification.

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

(h) When assessing payment for any amount due under subsection (f), the System shall exclude any salary increase described in subsection (g) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (f) of this Section.

(i) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(i-5) For school years beginning on or after July 1, 2017, if the amount of a participant's salary for any school year exceeds the amount of the salary set for the Governor, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, an amount determined by the System to be equal to the employer normal cost, as established by the System and expressed as a total percentage of payroll, multiplied by the amount of salary in excess of the amount of the salary set for the Governor. This amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(j) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the State's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June

30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 100-23, eff. 7-6-17; 100-340, eff. 8-25-17; 100-587, eff. 6-4-18; 100-624, eff. 7-20-18; 100-863, eff. 8-14-18; revised 10-4-18.)

(4) ILCS 5/16-190.5)

Sec. 16-190.5. Accelerated pension benefit payment in lieu of any pension benefit.

(a) As used in this Section:

"Eligible person" means a person who:

- (1) has terminated service;
- (2) has accrued sufficient service credit to be eligible to receive a retirement annuity under this Article;
- (3) has not received any retirement annuity under this Article; and
- (4) has not made the election under Section 16-190.6.

"Pension benefit" means the benefits under this Article, or Article 1 as it relates to those benefits, including any anticipated annual increases, that an eligible person is entitled to upon attainment of the applicable retirement age. "Pension benefit" also includes applicable survivor's or disability benefits.

(b) As soon as practical after ~~June 4, 2018~~ the effective date of ~~Public Act 100-587~~ ~~this amendatory Act of the 100th General Assembly~~, the System shall calculate, using actuarial tables and other assumptions adopted by the Board, the present value of pension benefits for each eligible person who requests that information and shall offer each eligible person the opportunity to irrevocably elect to receive an amount determined by the System to be equal to 60% of the present value of his or her pension benefits in lieu of receiving any pension benefit. The offer shall specify the dollar amount that the eligible person will receive if he or she so elects and shall expire when a subsequent offer is made to an eligible person. The System shall make a good faith effort to contact every eligible person to notify him or her of the election.

Until June 30, ~~2024~~ 2024, an eligible person may irrevocably elect to receive an accelerated pension benefit payment in the amount that the System offers under this subsection in lieu of receiving any pension benefit. A person who elects to receive an accelerated pension benefit payment under this Section may not elect to proceed under the Retirement Systems Reciprocal Act with respect to service under this Article.

(c) A person's creditable service under this Article shall be terminated upon the person's receipt of an accelerated pension benefit payment under this Section, and no other benefit shall be paid under this Article based on the terminated creditable service, including any retirement, survivor, or other benefit; except that to the extent that participation, benefits, or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit, the terminated service credit shall be used for that purpose.

(d) If a person who has received an accelerated pension benefit payment under this Section returns to active service under this Article, then:

- (1) Any benefits under the System earned as a result of that return to active service shall be based solely on the person's creditable service arising from the return to active service.
- (2) The accelerated pension benefit payment may not be repaid to the System, and the terminated creditable service may not under any circumstances be reinstated.

(e) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be transferred into a tax qualified retirement plan or account. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) Upon receipt of a member's irrevocable election to receive an accelerated pension benefit payment under this Section, the System shall submit a voucher to the Comptroller for payment of the member's accelerated pension benefit payment. The Comptroller shall transfer the amount of the voucher from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall transfer the amount into the member's eligible retirement plan or qualified account.

(g) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(h) No provision of this amendatory Act of the 100th General Assembly shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

[June 2, 2019]

(Source: P.A. 100-587, eff. 6-4-18.)

(40 ILCS 5/16-190.6)

Sec. 16-190.6. Accelerated pension benefit payment for a reduction in annual retirement annuity and survivor's annuity increases.

(a) As used in this Section:

"Accelerated pension benefit payment" means a lump sum payment equal to 70% of the difference of the present value of the automatic annual increases to a Tier 1 member's retirement annuity and survivor's annuity using the formula applicable to the Tier 1 member and the present value of the automatic annual increases to the Tier 1 member's retirement annuity using the formula provided under subsection (b-5) and the survivor's annuity using the formula provided under subsection (b-6).

"Eligible person" means a person who:

- (1) is a Tier 1 member;
- (2) has submitted an application for a retirement annuity under this Article;
- (3) meets the age and service requirements for receiving a retirement annuity under this

Article;

(4) has not received any retirement annuity under this Article; and

(5) has not made the election under Section 16-190.5.

(b) As soon as practical after June 4, 2018 the effective date of Public Act 100-587 ~~this amendatory Act of the 100th General Assembly~~ and until June 30, 2024 ~~2021~~, the System shall implement an accelerated pension benefit payment option for eligible persons. Upon the request of an eligible person, the System shall calculate, using actuarial tables and other assumptions adopted by the Board, an accelerated pension benefit payment amount and shall offer that eligible person the opportunity to irrevocably elect to have his or her automatic annual increases in retirement annuity calculated in accordance with the formula provided under subsection (b-5) and any increases in survivor's annuity payable to his or her survivor's annuity beneficiary calculated in accordance with the formula provided under subsection (b-6) in exchange for the accelerated pension benefit payment. The election under this subsection must be made before the eligible person receives the first payment of a retirement annuity otherwise payable under this Article.

(b-5) Notwithstanding any other provision of law, the retirement annuity of a person who made the election under subsection (b) shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 1.5% of the originally granted retirement annuity.

(b-6) Notwithstanding any other provision of law, a survivor's annuity payable to a survivor's annuity beneficiary of a person who made the election under subsection (b) shall be subject to annual increases on the January 1 occurring on or after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 1.5% of the originally granted survivor's annuity.

(c) If a person who has received an accelerated pension benefit payment returns to active service under this Article, then:

(1) the calculation of any future automatic annual increase in retirement annuity shall be calculated in accordance with the formula provided in subsection (b-5); and

(2) the accelerated pension benefit payment may not be repaid to the System.

(d) As a condition of receiving an accelerated pension benefit payment, the accelerated pension benefit payment must be transferred into a tax qualified retirement plan or account. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(d-5) Upon receipt of a member's irrevocable election to receive an accelerated pension benefit payment under this Section, the System shall submit a voucher to the Comptroller for payment of the member's accelerated pension benefit payment. The Comptroller shall transfer the amount of the voucher from the State Pension Obligation Acceleration Bond Fund to the System, and the System shall transfer the amount into the member's eligible retirement plan or qualified account.

(e) The Board shall adopt any rules, including emergency rules, necessary to implement this Section.

(f) No provision of this Section shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(Source: P.A. 100-587, eff. 6-4-18.)

(40 ILCS 5/16-203)

Sec. 16-203. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 95-910, Public Act 100-23, Public Act 100-587, Public Act 100-743, Public Act 100-769, or this amendatory Act of the 101st General Assembly ~~or by this amendatory Act of the 100th General Assembly.~~

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-743, eff. 8-10-18; 100-769, eff. 8-10-18; revised 10-15-18.)

Section 10-15. The State Pension Funds Continuing Appropriation Act is amended by changing Section 1.2 as follows:

(40 ILCS 15/1.2)

Sec. 1.2. Appropriations for the State Employees' Retirement System.

(a) From each fund from which an amount is appropriated for personal services to a department or other employer under Article 14 of the Illinois Pension Code, there is hereby appropriated to that department or other employer, on a continuing annual basis for each State fiscal year, an additional amount equal to the amount, if any, by which (1) an amount equal to the percentage of the personal services line item for that department or employer from that fund for that fiscal year that the Board of Trustees of the State Employees' Retirement System of Illinois has certified under Section 14-135.08 of the Illinois Pension Code to be necessary to meet the State's obligation under Section 14-131 of the Illinois Pension Code for that fiscal year, exceeds (2) the amounts otherwise appropriated to that department or employer from that fund for State contributions to the State Employees' Retirement System for that fiscal year. ~~From the effective date of this amendatory Act of the 93rd General Assembly through the final payment from a department or employer's personal services line item for fiscal year 2004, payments to the State Employees' Retirement System that otherwise would have been made under this subsection (a) shall be governed by the provisions in subsection (a-1).~~

~~(a-1) (Blank). If a Fiscal Year 2004 Shortfall is certified under subsection (f) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2004 Shortfall.~~

~~(a-2) (Blank). If a Fiscal Year 2010 Shortfall is certified under subsection (i) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2010 Shortfall.~~

[June 2, 2019]

(a-3) ~~(Blank). If a Fiscal Year 2016 Shortfall is certified under subsection (k) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2016 Shortfall.~~

(a-4) If a Prior Fiscal Year Shortfall is certified under subsection (k) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Prior Fiscal Year 2018 Shortfall.

(b) The continuing appropriations provided for by this Section shall first be available in State fiscal year 1996.

(c) Beginning in Fiscal Year 2005, any continuing appropriation under this Section arising out of an appropriation for personal services from the Road Fund to the Department of State Police or the Secretary of State shall be payable from the General Revenue Fund rather than the Road Fund.

(d) ~~(Blank). For State fiscal year 2010 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before December 31, 2008, less the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.~~

(e) ~~(Blank). For State fiscal year 2011 only, the continuing appropriation under this Section provided to the State Employees' Retirement System is limited to an amount equal to the amount certified by the System on or before December 31, 2009, less any amounts received pursuant to subsection (a-3) of Section 14.1 of the State Finance Act.~~

(f) ~~(Blank). For State fiscal year 2011 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before April 1, 2011, less the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.~~

(Source: P.A. 99-523, eff. 6-30-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

Section 10-20. The Drug Asset Forfeiture Procedure Act is amended by changing Section 13.2 as follows:

(725 ILCS 150/13.2) (was 725 ILCS 150/17)

Sec. 13.2. Distribution of proceeds; selling or retaining seized property prohibited.

(a) Except as otherwise provided in this Section, the court shall order that property forfeited under this Act be delivered to the Department of State Police within 60 days.

(b) All moneys and the sale proceeds of all other property forfeited and seized under this Act shall be distributed as follows:

(1)(i) 65% shall be distributed to the metropolitan enforcement group, local, municipal, county, or State law enforcement agency or agencies that conducted or participated in the investigation resulting in the forfeiture. The distribution shall bear a reasonable relationship to the degree of direct participation of the law enforcement agency in the effort resulting in the forfeiture, taking into account the total value of the property forfeited and the total law enforcement effort with respect to the violation of the law upon which the forfeiture is based. Amounts distributed to the agency or agencies shall be used for the enforcement of laws governing cannabis and controlled substances; for public education in the community or schools in the prevention or detection of the abuse of drugs or alcohol; or for security cameras used for the prevention or detection of violence, except that amounts distributed to the Secretary of State shall be deposited into the Secretary of State Evidence Fund to be used as provided in Section 2-115 of the Illinois Vehicle Code.

(ii) Any local, municipal, or county law enforcement agency entitled to receive a monetary distribution of forfeiture proceeds may share those forfeiture proceeds pursuant to the terms of an intergovernmental agreement with a municipality that has a population in excess of 20,000 if:

(A) the receiving agency has entered into an intergovernmental agreement with the municipality to provide police services;

(B) the intergovernmental agreement for police services provides for consideration in an amount of not less than \$1,000,000 per year;

(C) the seizure took place within the geographical limits of the municipality; and

(D) the funds are used only for the enforcement of laws governing cannabis and controlled substances; for public education in the community or schools in the prevention or detection of the abuse of drugs or alcohol; or for security cameras used for the prevention or detection of violence or the establishment of a municipal police force, including the training of officers, construction of a police station, or the purchase of law enforcement equipment or vehicles.

(2)(i) 12.5% shall be distributed to the Office of the State's Attorney of the county in which the prosecution resulting in the forfeiture was instituted, deposited in a special fund in the county treasury and appropriated to the State's Attorney for use in the enforcement of laws governing cannabis and controlled substances; for public education in the community or schools in the prevention or detection of the abuse of drugs or alcohol; or, at the discretion of the State's Attorney, in addition to other authorized purposes, to make grants to local substance abuse treatment facilities and half-way houses. In counties over 3,000,000 population, 25% shall be distributed to the Office of the State's Attorney for use in the enforcement of laws governing cannabis and controlled substances; for public education in the community or schools in the prevention or detection of the abuse of drugs or alcohol; or at the discretion of the State's Attorney, in addition to other authorized purposes, to make grants to local substance abuse treatment facilities and half-way houses. If the prosecution is undertaken solely by the Attorney General, the portion provided shall be distributed to the Attorney General for use in the enforcement of laws governing cannabis and controlled substances or for public education in the community or schools in the prevention or detection of the abuse of drugs or alcohol.

(ii) 12.5% shall be distributed to the Office of the State's Attorneys Appellate Prosecutor and deposited in the Narcotics Profit Forfeiture Fund of that office to be used for additional expenses incurred in the investigation, prosecution and appeal of cases arising under laws governing cannabis and controlled substances, together with administrative expenses, and for legal education or for public education in the community or schools in the prevention or detection of the abuse of drugs or alcohol. The Office of the State's Attorneys Appellate Prosecutor shall not receive distribution from cases brought in counties with over 3,000,000 population.

(3) 10% shall be retained by the Department of State Police for expenses related to the administration and sale of seized and forfeited property.

(Source: P.A. 100-512, eff. 7-1-18; 100-699, eff. 8-3-18.)

Section 10-25. The State's Attorneys Appellate Prosecutor's Act is amended by changing Section 9.01 as follows:

(725 ILCS 210/9.01) (from Ch. 14, par. 209.01)

Sec. 9.01. For State fiscal years beginning on or after July 1, 2017, the ~~The~~ General Assembly shall appropriate money for the expenses of the Office, other than the expenses of the Office incident to the programs and publications authorized by Section 4.10 of this Act, from such Funds and in such amounts as it may determine, one-third from the State's Attorneys Appellate Prosecutor's County Fund and two-thirds from the General Revenue Fund, except for employees in the collective bargaining unit, for which all personal services expenses shall be paid from the General Revenue Fund.

(Source: P.A. 86-332.)

Section 10-30. The Unified Code of Corrections is amended by adding Section 5-9-1.22 as follows:

(730 ILCS 5/5-9-1.22 new)

Sec. 5-9-1.22. Fee: Roadside Memorial Fund. A person who is convicted or receives a disposition of court supervision for a violation of Section 11-501 of the Illinois Vehicle Code shall, in addition to any other disposition, penalty, or fine imposed, pay a fee of \$50 which shall be collected by the clerk of the court and then remitted to the State Treasurer for deposit into the Roadside Memorial Fund, a special fund that is created in the State treasury. However, the court may waive the fee if full restitution is complied with. Subject to appropriation, all moneys in the Roadside Memorial Fund shall be used by the Department of Transportation to pay fees imposed under subsection (f) of Section 20 of the Roadside Memorial Act.

This Section is substantially the same as Section 5-9-1.8 of the Unified Code of Corrections, which Section was repealed by Public Act 100-987, and shall be construed as a continuation of the fee established by that prior law, and not as a new or different fee.

Section 10-35. The Revised Uniform Unclaimed Property Act is amended by changing Section 15-801 as follows:

(765 ILCS 1026/15-801)

Sec. 15-801. Deposit of funds by administrator.

(a) Except as otherwise provided in this Section, the administrator shall deposit in the Unclaimed Property Trust Fund all funds received under this Act, including proceeds from the sale of property under Article 7. The administrator may deposit any amount in the Unclaimed Property Trust Fund into the State Pensions Fund during the fiscal year at his or her discretion; however, he or she shall, on April 15 and October 15 of each year, deposit any amount in the Unclaimed Property Trust Fund exceeding \$2,500,000 into the State Pensions Fund. If on either April 15 or October 15, the administrator determines that a

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balance of \$2,500,000 is insufficient for the prompt payment of unclaimed property claims authorized under this Act, the administrator may retain more than \$2,500,000 in the Unclaimed Property Trust Fund in order to ensure the prompt payment of claims. Beginning in State fiscal year ~~2021~~ 2020, all amounts that are deposited into the State Pensions Fund from the Unclaimed Property Trust Fund shall be apportioned to the designated retirement systems as provided in subsection (c-6) of Section 8.12 of the State Finance Act to reduce their actuarial reserve deficiencies.

(b) The administrator shall make prompt payment of claims he or she duly allows as provided for in this Act from the Unclaimed Property Trust Fund. This shall constitute an irrevocable and continuing appropriation of all amounts in the Unclaimed Property Trust Fund necessary to make prompt payment of claims duly allowed by the administrator pursuant to this Act.

(Source: P.A. 100-22, eff. 1-1-18; 100-587, eff. 6-4-18.)

ARTICLE 15. AVIATION

Section 15-5. The State Finance Act is amended by changing Section 6z-34 and by adding Sections 5.891, 5.893, 5.894, 5.895, 6z-20.1, 6z-20.2, 6z-20.3, and 50 as follows:

(30 ILCS 105/5.891 new)

Sec. 5.891. The State Aviation Program Fund.

(30 ILCS 105/5.893 new)

Sec. 5.893. The Local Government Aviation Trust Fund.

(30 ILCS 105/5.894 new)

Sec. 5.894. The Aviation Fuel Sales Tax Refund Fund.

(30 ILCS 105/5.895 new)

Sec. 5.895. The Sound-Reducing Windows and Doors Replacement Fund.

(30 ILCS 105/6z-20.1 new)

Sec. 6z-20.1. The State Aviation Program Fund and the Sound-Reducing Windows and Doors Replacement Fund.

(a) The State Aviation Program Fund is created in the State Treasury. Moneys in the Fund shall be used by the Department of Transportation for the purposes of administering a State Aviation Program. Subject to appropriation, the moneys shall be used for the purpose of distributing grants to units of local government to be used for airport-related purposes. Grants to units of local government from the Fund shall be distributed proportionately based on equal part enplanements, total cargo, and airport operations. With regard to enplanements that occur within a municipality with a population of over 500,000, grants shall be distributed only to the municipality.

(b) For grants to a unit of government other than a municipality with a population of more than 500,000, "airport-related purposes" means the capital or operating costs of: (1) an airport; (2) a local airport system; or (3) any other local facility that is owned or operated by the person or entity that owns or operates the airport that is directly and substantially related to the air transportation of passengers or property as provided in 49 U.S.C. 47133, including (i) the replacement of sound-reducing windows and doors installed under the Residential Sound Insulation Program and (ii) in-home air quality monitoring testing in residences in which windows or doors were installed under the Residential Sound Insulation Program.

(c) For grants to a municipality with a population of more than 500,000, "airport-related purposes" means the capital costs of: (1) an airport; (2) a local airport system; or (3) any other local facility that (i) is owned or operated by a person or entity that owns or operates an airport and (ii) is directly and substantially related to the air transportation of passengers or property, as provided in 40 U.S.C. 47133. For grants to a municipality with a population of more than 500,000, "airport-related purposes" also means costs associated with the replacement of sound-reducing windows and doors installed under the Residential Sound Insulation Program.

(d) In each State fiscal year, the first \$7,500,000 attributable to a municipality with a population of more than 500,000, as provided in subsection (a) of this Section, shall be transferred to the Sound-Reducing Windows and Doors Replacement Fund, a special fund created in the State Treasury. Subject to appropriation, the moneys in the Fund shall be used for costs associated with the replacement of sound-reducing windows and doors installed under the Residential Sound Insulation Program. Any amounts attributable to a municipality with a population of more than 500,000 in excess of \$7,500,000 in each State fiscal year shall be distributed among the airports in that municipality based on the same formula as prescribed in subsection (a) to be used for airport-related purposes.

(30 ILCS 105/6z-20.2 new)

Sec. 6z-20.2. The Local Government Aviation Trust Fund.

(a) The Local Government Aviation Trust Fund is created as a trust fund in the State Treasury. Moneys in the Trust Fund shall be used by units of local government for airport-related purposes.

(b) As used in this Section, "airport-related purposes" means the capital or operating costs of: (1) an airport; (2) a local airport system; or (3) any other local facility that is owned or operated by the person or entity that owns or operates the airport that is directly and substantially related to the air transportation of passengers or property as provided in 49 U.S.C. 47133, including (i) the replacement of sound-reducing windows and doors installed under the Residential Sound Insulation Program and (ii) in-home air quality testing in residences in which windows or doors were installed under the Residential Sound Insulation Program.

(c) Moneys in the Trust Fund are not subject to appropriation and shall be used solely as provided in this Section. All deposits into the Trust Fund shall be held in the Trust Fund by the State Treasurer, ex officio, as trustee separate and apart from all public moneys or funds of this State.

(d) On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named units of local government, the units of local government to be those from which retailers or servicemen have paid tax or penalties to the Department during the second preceding calendar month on sales of aviation fuel. The amount to be paid to each unit of local government shall be the amount (not including credit memoranda) collected during the second preceding calendar month by the Department and paid into the Local Government Aviation Trust Fund, plus an amount the Department determines is necessary to offset any amounts which were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, and not including any amount which the Department determines is necessary to offset any amounts which are payable to a different taxing body but were erroneously paid to the unit of local government. Within 10 days after receipt by the Comptroller of the certification for disbursement to the units of local government, provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

When certifying the amount of the monthly disbursement to a unit of local government under this Section, the Department shall increase or decrease that amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the 6 months preceding the time a misallocation is discovered.

(30 ILCS 105/6z-20.3 new)

Sec. 6z-20.3. The Aviation Fuel Sales Tax Refund Fund.

(a) The Aviation Fuel Sales Tax Refund Fund is hereby created as a special fund in the State Treasury. Moneys in the Aviation Fuel Sales Tax Refund Fund shall be used by the Department of Revenue to pay refunds of Use Tax, Service Use Tax, Service Occupation Tax, and Retailers' Occupation Tax paid on aviation fuel in the manner provided in Section 19 of the Use Tax Act, Section 17 of the Service Use Tax Act, Section 17 of the Service Occupation Tax Act, and Section 6 of the Retailers' Occupation Tax Act.

(b) Moneys in the Aviation Fuel Sales Tax Refund Fund shall be expended exclusively for the purpose of paying refunds pursuant to this Section.

(c) The Director of Revenue shall order payment of refunds under this Section from the Aviation Fuel Sales Tax Refund Fund only to the extent that amounts collected pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 9 of the Service Use Tax Act on aviation fuel have been deposited and retained in the Fund.

As soon as possible after the end of each fiscal year, the Director of Revenue shall order transferred and the State Treasurer and State Comptroller shall transfer from the Aviation Fuel Sales Tax Refund Fund to the State Aviation Program Fund 20% of any surplus remaining as of the end of such fiscal year and shall transfer from the Aviation Fuel Sales Tax Refund Fund to the General Revenue Fund 80% of any surplus remaining as of the end of such fiscal year.

This Section shall constitute an irrevocable and continuing appropriation from the Aviation Fuel Sales Tax Refund Fund for the purpose of paying refunds in accordance with the provisions of this Section.

(30 ILCS 105/6z-34)

Sec. 6z-34. Secretary of State Special Services Fund. There is created in the State Treasury a special fund to be known as the Secretary of State Special Services Fund. Moneys deposited into the Fund may, subject to appropriation, be used by the Secretary of State for any or all of the following purposes:

(1) For general automation efforts within operations of the Office of Secretary of State.

(2) For technology applications in any form that will enhance the operational capabilities of the Office of Secretary of State.

(3) To provide funds for any type of library grants authorized and administered by the

Secretary of State as State Librarian.

(4) For the purposes of the Secretary of State's operating program expenses related to the enforcement of administrative laws related to vehicles and transportation.

These funds are in addition to any other funds otherwise authorized to the Office of Secretary of State for like or similar purposes.

On August 15, 1997, all fiscal year 1997 receipts that exceed the amount of \$15,000,000 shall be transferred from this Fund to the Technology Management Revolving Fund (formerly known as the Statistical Services Revolving Fund); on August 15, 1998 and each year thereafter through 2000, all receipts from the fiscal year ending on the previous June 30th that exceed the amount of \$17,000,000 shall be transferred from this Fund to the Technology Management Revolving Fund (formerly known as the Statistical Services Revolving Fund); on August 15, 2001 and each year thereafter through 2002, all receipts from the fiscal year ending on the previous June 30th that exceed the amount of \$19,000,000 shall be transferred from this Fund to the Technology Management Revolving Fund (formerly known as the Statistical Services Revolving Fund); and on August 15, 2003 and each year thereafter, all receipts from the fiscal year ending on the previous June 30th that exceed the amount of \$33,000,000 shall be transferred from this Fund to the Technology Management Revolving Fund (formerly known as the Statistical Services Revolving Fund).

(Source: P.A. 100-23, eff. 7-6-17.)

Section 15-10. The Use Tax Act is amended by changing Sections 9 and 19 as follows:
(35 ILCS 105/9) (from Ch. 120, par. 439.9)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A retailer need not remit that part of any tax collected by him to the extent that he is required to remit and does remit the tax imposed by the Retailers' Occupation Tax Act, with respect to the sale of the same property.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the retailer, in collecting the tax (except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State), may collect for each tax return period, only the tax applicable to that part of the selling price actually received during such tax return period.

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require. On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar

month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;

4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2020, each retailer required or authorized to collect the tax imposed by this Act on aviation fuel sold at retail in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, file and pay tax to the Department on an aviation fuel tax return, on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, retailers collecting tax on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel fee payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January

1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February, and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year;

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with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this Section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

The transaction reporting return in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the date of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the tax that is imposed by this Act may be transmitted to the Department by way of the State agency with which, or State officer

with whom, the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer, and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Where a retailer collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the retailer refunds the selling price thereof to the purchaser, such retailer shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the retailer may deduct the amount of the tax so refunded by him to the purchaser from any other use tax which such retailer may be required to pay or remit to the Department, as shown by such return, if the amount of the tax to be deducted was previously remitted to the Department by such retailer. If the retailer has not previously remitted the amount of such tax to the Department, he is entitled to no deduction under this Act upon refunding such tax to the purchaser.

Any retailer filing a return under this Section shall also include (for the purpose of paying tax thereon) the total tax covered by such return upon the selling price of tangible personal property purchased by him at retail from a retailer, but as to which the tax imposed by this Act was not collected from the retailer filing such return, and such retailer shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable retailers, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the retailer has more than one business registered with the Department under separate registration under this Act, such retailer may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury, 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property, other than (i) tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government and (ii) aviation fuel sold on or after December 1, 2019.

This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

For aviation fuel sold on or after December 1, 2019, each month the Department shall pay into the State Aviation Program Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 20% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuels Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Retailers' Occupation Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided,

[June 2, 2019]

that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000

2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and
each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Capital Projects Fund, the Clean Air Act Permit Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2019).

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

(35 ILCS 105/19) (from Ch. 120, par. 439.19)

Sec. 19. If it shall appear that an amount of tax or penalty or interest has been paid in error hereunder to the Department by a purchaser, as distinguished from the retailer, whether such amount be paid through a mistake of fact or an error of law, such purchaser may file a claim for credit or refund with the Department in accordance with Sections 6, 6a, 6b, 6c, and 6d of the Retailers' Occupation Tax Act. If it shall appear that an amount of tax or penalty or interest has been paid in error to the Department hereunder by a retailer who is required or authorized to collect and remit the use tax, whether such amount be paid through a mistake of fact or an error of law, such retailer may file a claim for credit or refund with the Department in accordance with Sections 6, 6a, 6b, 6c, and 6d of the Retailers' Occupation Tax Act, provided that no credit or refund shall be allowed for any amount paid by any such retailer unless it shall appear that he bore the burden of such amount and did not shift the burden thereof to anyone else (as in the case of a duplicated tax payment which the retailer made to the Department and did not collect from anyone else), or unless it shall appear that he or she or his or her legal representative has unconditionally repaid such amount to his vendee (1) who bore the burden thereof and has not shifted such burden directly or indirectly in any manner whatsoever; (2) who, if he has shifted such burden, has repaid unconditionally such amount to his or her own vendee, and (3) who is not entitled to receive any reimbursement therefor from any other source than from his vendor, nor to be relieved of such burden in any other manner whatsoever. If it shall appear that an amount of tax has been paid in error hereunder by the purchaser to a retailer, who retained such tax as reimbursement for his or her tax liability on the same sale under the Retailers' Occupation Tax Act, and who remitted the amount involved to the Department under the Retailers' Occupation Tax Act, whether such amount be paid through a mistake of fact or an error of law, the procedure for recovering such tax shall be that prescribed in Sections 6, 6a, 6b and 6c of the Retailers' Occupation Tax Act.

Any credit or refund that is allowed under this Section shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

Any claim filed hereunder shall be filed upon a form prescribed and furnished by the Department. The claim shall be signed by the claimant (or by the claimant's legal representative if the claimant shall have died or become a person under legal disability), or by a duly authorized agent of the claimant or his or her legal representative.

A claim for credit or refund shall be considered to have been filed with the Department on the date upon which it is received by the Department. Upon receipt of any claim for credit or refund filed under this Act, any officer or employee of the Department, authorized in writing by the Director of Revenue to acknowledge receipt of such claims on behalf of the Department, shall execute on behalf of the Department, and shall deliver or mail to the claimant or his duly authorized agent, a written receipt, acknowledging that the claim has been filed with the Department, describing the claim in sufficient detail to identify it and stating the date upon which the claim was received by the Department. Such written receipt shall be prima facie evidence that the Department received the claim described in such receipt and shall be prima facie evidence of the date when such claim was received by the Department. In the absence of such a written receipt, the records of the Department as to when the claim was received by the Department, or as to whether or not the claim was received at all by the Department, shall be deemed to be prima facie correct upon these questions in the event of any dispute between the claimant (or his or her legal representative) and the Department concerning these questions.

In case the Department determines that the claimant is entitled to a refund, such refund shall be made only from the Aviation Fuel Sales Tax Refund Fund or from such appropriation as may be available for that purpose, as appropriate. If it appears unlikely that the amount available ~~appropriated~~ would permit everyone having a claim allowed during the period covered by such appropriation or from the Aviation Fuel Sales Tax Refund Fund, as appropriate, to elect to receive a cash refund, the Department, by rule or regulation, shall provide for the payment of refunds in hardship cases and shall define what types of cases qualify as hardship cases.

If a retailer who has failed to pay use tax on gross receipts from retail sales is required by the Department to pay such tax, such retailer, without filing any formal claim with the Department, shall be allowed to take credit against such use tax liability to the extent, if any, to which such retailer has paid an amount equivalent to retailers' occupation tax or has paid use tax in error to his or her vendor or vendors of the same tangible personal property which such retailer bought for resale and did not first use before selling it, and no penalty or interest shall be charged to such retailer on the amount of such credit. However, when such credit is allowed to the retailer by the Department, the vendor is precluded from refunding any of that tax to the retailer and filing a claim for credit or refund with respect thereto with the Department. The provisions of this amendatory Act shall be applied retroactively, regardless of the date of the transaction. (Source: P.A. 99-217, eff. 7-31-15.)

Section 15-15. The Service Use Tax Act is amended by changing Sections 9 and 17 as follows:
(35 ILCS 110/9) (from Ch. 120, par. 439.39)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2020, each serviceman required or authorized to collect the tax imposed by this Act on aviation fuel transferred as an incident of a sale of service in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, report and pay the tax by filing an aviation fuel tax return with the Department on or before the

twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, servicemen collecting tax on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

If the serviceman is otherwise required to file a monthly return and if the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman is otherwise required to file a monthly or quarterly return and if the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not

previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

Any serviceman filing a return hereunder shall also include the total tax upon the selling price of tangible personal property purchased for use by him as an incident to a sale of service, and such serviceman shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Service Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registration hereunder, such serviceman shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Tax Reform Fund, a special fund in the State Treasury, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property, other than (i) tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government and (ii) aviation fuel sold on or after December 1, 2019. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

For aviation fuel sold on or after December 1, 2019, each month the Department shall pay into the State Aviation Program Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 20% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, this Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received

by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000

2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Capital Projects Fund, the Clean Air Act Permit Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the

[June 2, 2019]

Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2019).

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

(35 ILCS 110/17) (from Ch. 120, par. 439.47)

Sec. 17. If it shall appear that an amount of tax or penalty or interest has been paid in error hereunder to the Department by a purchaser, as distinguished from the serviceman, whether such amount be paid through a mistake of fact or an error of law, such purchaser may file a claim for credit or refund with the Department. If it shall appear that an amount of tax or penalty or interest has been paid in error to the Department hereunder by a serviceman who is required or authorized to collect and remit the Service Use Tax, whether such amount be paid through a mistake of fact or an error of law, such serviceman may file a claim for credit or refund with the Department, provided that no credit shall be allowed or refund made for any amount paid by any such serviceman unless it shall appear that he bore the burden of such amount and did not shift the burden thereof to anyone else (as in the case of a duplicated tax payment which the serviceman made to the Department and did not collect from anyone else), or unless it shall appear that he or his legal representative has unconditionally repaid such amount to his vendee (1) who bore the burden thereof and has not shifted such burden directly or indirectly in any manner whatsoever; (2) who, if he has shifted such burden, has repaid unconditionally such amount to his own vendee, and (3) who is not entitled to receive any reimbursement therefor from any other source than from his vendor, nor to be relieved of such burden in any other manner whatsoever. If it shall appear that an amount of tax has been paid in error hereunder by the purchaser to a serviceman, who retained such tax as reimbursement for his tax liability on the same sale of service under the Service Occupation Tax Act, and who paid such tax as required by the Service Occupation Tax Act, whether such amount be paid through a mistake of fact or an error of law, the procedure for recovering such tax shall be that prescribed in Sections 17, 18, 19 and 20 of the Service Occupation Tax Act.

Any credit or refund that is allowed under this Section shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

Any claim filed hereunder shall be filed upon a form prescribed and furnished by the Department. The claim shall be signed by the claimant (or by the claimant's legal representative if the claimant shall have died or become a person under legal disability), or by a duly authorized agent of the claimant or his or her legal representative.

A claim for credit or refund shall be considered to have been filed with the Department on the date upon which it is received by the Department. Upon receipt of any claim for credit or refund filed under this Act, any officer or employee of the Department, authorized in writing by the Director of Revenue to acknowledge receipt of such claims on behalf of the Department, shall execute on behalf of the Department, and shall deliver or mail to the claimant or his duly authorized agent, a written receipt, acknowledging that the claim has been filed with the Department, describing the claim in sufficient detail to identify it and stating the date upon which the claim was received by the Department. Such written receipt shall be prima facie evidence that the Department received the claim described in such receipt and shall be prima facie evidence of the date when such claim was received by the Department. In the absence of such a written receipt, the records of the Department as to when the claim was received by the Department, or as to whether or not the claim was received at all by the Department, shall be deemed to

be prima facie correct upon these questions in the event of any dispute between the claimant (or his or her legal representative) and the Department concerning these questions.

In case the Department determines that the claimant is entitled to a refund, such refund shall be made only from the Aviation Fuel Sales Tax Refund Fund or from such appropriation as may be available for that purpose, as appropriate. If it appears unlikely that the amount available ~~appropriated~~ would permit everyone having a claim allowed during the period covered by such appropriation or from the Aviation Fuel Sales Tax Refund Fund, as appropriate, to elect to receive a cash refund, the Department, by rule or regulation, shall provide for the payment of refunds in hardship cases and shall define what types of cases qualify as hardship cases.
(Source: P.A. 87-205.)

Section 15-20. The Service Occupation Tax Act is amended by changing Sections 9 and 17 as follows:
(35 ILCS 115/9) (from Ch. 120, par. 439.109)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the serviceman, in collecting the tax may collect, for each tax return period, only the tax applicable to the part of the selling price actually received during such tax return period.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable rules and regulations to be promulgated by the Department of Revenue. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2020, each serviceman required or authorized to collect the tax herein imposed on aviation fuel acquired as an incident to the purchase of a service in this State during the preceding calendar month shall, instead of reporting and paying tax as otherwise required by this Section, file an aviation fuel tax return with the Department on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, servicemen transferring aviation fuel incident to sales of service shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Prior to October 1, 2003, and on and after September 1, 2004 a serviceman may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Service Use Tax as provided in Section 3-70 of the Service Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-70 of the Service Use Tax Act. A Manufacturer's Purchase Credit certification, accepted prior to October 1, 2003 or on or after September 1, 2004 by a serviceman as provided in Section 3-70 of the Service Use Tax Act, may be used by that serviceman to satisfy Service Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchase Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

If the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Where a serviceman collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so

collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Occupation Tax, Service Use Tax, Retailers' Occupation Tax or Use Tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, the Use Tax Act or the Service Use Tax Act, to furnish all the return information required by all said Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registrations hereunder, such serviceman shall file separate returns for each registered business.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate on sales of tangible personal property other than aviation fuel sold on or after December 1, 2019. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

For aviation fuel sold on or after December 1, 2019, each month the Department shall pay into the State Aviation Program Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 4% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property other than aviation fuel sold on or after December 1, 2019. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

For aviation fuel sold on or after December 1, 2019, each month the Department shall pay into the State Aviation Program Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 16% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, this Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000

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2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Capital Projects Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period,

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the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2019).

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

- (i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.
- (ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The foregoing portion of this Section concerning the filing of an annual information return shall not apply to a serviceman who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, it shall be permissible for manufacturers, importers and wholesalers whose products are sold by numerous servicemen in Illinois, and who wish to do so, to assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the servicemen who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

(35 ILCS 115/17) (from Ch. 120, par. 439.117)

Sec. 17. If it shall appear that an amount of tax or penalty or interest has been paid in error hereunder directly to the Department by a serviceman, whether such amount be paid through a mistake of fact or an error of law, such serviceman may file a claim for credit or refund with the Department. If it shall appear that an amount of tax or penalty or interest has been paid in error to the Department hereunder by a supplier who is required or authorized to collect and remit the Service Occupation Tax, whether such amount be paid through a mistake of fact or an error of law, such supplier may file a claim for credit or refund with the Department, provided that no credit shall be allowed nor any refund made for any amount paid by any such supplier unless it shall appear that he bore the burden of such amount and did not shift the burden thereof to anyone else (as in the case of a duplicated tax payment which the supplier made to the Department and did not collect from anyone else), or unless it shall appear that he or his legal representative has unconditionally repaid such amount to his vendee (1) who bore the burden thereof and has not shifted such burden directly or indirectly in any manner whatsoever; (2) who, if he has shifted such burden, has repaid unconditionally such amount to his own vendee, and (3) who is not entitled to receive any reimbursement therefor from any other source than from his supplier, nor to be relieved of such burden in any other manner whatsoever.

Any credit or refund that is allowed under this Section shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

Any claim filed hereunder shall be filed upon a form prescribed and furnished by the Department. The claim shall be signed by the claimant (or by the claimant's legal representative if the claimant shall have died or become a person under legal disability), or by a duly authorized agent of the claimant or his or her legal representative.

A claim for credit or refund shall be considered to have been filed with the Department on the date upon which it is received by the Department. Upon receipt of any claim for credit or refund filed under this Act, any officer or employee of the Department, authorized in writing by the Director of Revenue to acknowledge receipt of such claims on behalf of the Department, shall execute on behalf of the Department, and shall deliver or mail to the claimant or his or her duly authorized agent, a written receipt, acknowledging that the claim has been filed with the Department, describing the claim in sufficient detail to identify it and stating the date upon which the claim was received by the Department. Such written receipt shall be prima facie evidence that the Department received the claim described in such receipt and shall be prima facie evidence of the date when such claim was received by the Department. In the absence of such a written receipt, the records of the Department as to when the claim was received by the Department, or as to whether or not the claim was received at all by the Department, shall be deemed to be prima facie correct upon these questions in the event of any dispute between the claimant (or his legal representative) and the Department concerning these questions.

In case the Department determines that the claimant is entitled to a refund, such refund shall be made only from the Aviation Fuel Sales Tax Refund Fund or from such appropriation as may be available for that purpose, as appropriate. If it appears unlikely that the amount available appropriated would permit everyone having a claim allowed during the period covered by such appropriation or from the Aviation Fuel Sales Tax Refund Fund, as appropriate, to elect to receive a cash refund, the Department, by rule or regulation, shall provide for the payment of refunds in hardship cases and shall define what types of cases qualify as hardship cases.

(Source: P.A. 87-205.)

Section 15-25. The Retailers' Occupation Tax Act is amended by changing Sections 3, 6, and 11 as follows:

(35 ILCS 120/3) (from Ch. 120, par. 442)

Sec. 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at retail in this State during the preceding calendar month shall file a return with the Department, stating:

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1. The name of the seller;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;
4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;
5. Deductions allowed by law;
6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;
7. The amount of credit provided in Section 2d of this Act;
8. The amount of tax due;
9. The signature of the taxpayer; and
10. Such other reasonable information as the Department may require.

On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Each return shall be accompanied by the statement of prepaid tax issued pursuant to Section 2e for which credit is claimed.

Prior to October 1, 2003, and on and after September 1, 2004 a retailer may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Use Tax as provided in Section 3-85 of the Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit certification, accepted by a retailer prior to October 1, 2003 and on and after September 1, 2004 as provided in Section 3-85 of the Use Tax Act, may be used by that retailer to satisfy Retailers' Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchaser Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.

Beginning on January 1, 2020, every person engaged in the business of selling aviation fuel at retail in this State during the preceding calendar month shall, instead of reporting and paying tax as otherwise required by this Section, file an aviation fuel tax return with the Department on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, retailers selling aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in

the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

Beginning on October 1, 2003, any person who is not a licensed distributor, importing distributor, or manufacturer, as defined in the Liquor Control Act of 1934, but is engaged in the business of selling, at retail, alcoholic liquor shall file a statement with the Department of Revenue, in a format and at a time prescribed by the Department, showing the total amount paid for alcoholic liquor purchased during the preceding month and such other information as is reasonably required by the Department. The Department may adopt rules to require that this statement be filed in an electronic or telephonic format. Such rules may provide for exceptions from the filing requirements of this paragraph. For the purposes of this paragraph, the term "alcoholic liquor" shall have the meaning prescribed in the Liquor Control Act of 1934.

Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

If a total amount of less than \$1 is payable, refundable or creditable, such amount shall be disregarded if it is less than 50 cents and shall be increased to \$1 if it is 50 cents or more.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Any amount which is required to be shown or reported on any return or other document under this Act shall, if such amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount in any case where the fractional part of a dollar is 50 cents or more, and decreased to the nearest whole-dollar amount where the fractional part of a dollar is less than 50 cents.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on

a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability with the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

Where the same person has more than one business registered with the Department under separate registrations under this Act, such person may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this Section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle retailer or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 2-5 of this Act, then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

Any retailer who sells only motor vehicles, watercraft, aircraft, or trailers that are required to be registered with an agency of this State, so that all retailers' occupation tax liability is required to be reported, and is reported, on such transaction reporting returns and who is not otherwise required to file monthly or quarterly returns, need not file monthly or quarterly returns. However, those retailers shall be required to file returns on an annual basis.

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft or aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount

allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax may be transmitted to the Department by way of the State agency with which, or State officer with whom the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a use tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

Where the seller is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.

Where the seller is a limited liability company, the return filed on behalf of the limited liability company shall be signed by a manager, member, or properly accredited agent of the limited liability company.

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department

may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter

monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to September 1, 1985 (the effective date of Public Act 84-221), each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of \$20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than \$20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

If a retailer of motor fuel is entitled to a credit under Section 2d of this Act which exceeds the taxpayer's liability to the Department under this Act for the month which the taxpayer is filing a return, the Department shall issue the taxpayer a credit memorandum for the excess.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate other than aviation fuel sold on or after December 1, 2019. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

For aviation fuel sold on or after December 1, 2019, each month the Department shall pay into the State Aviation Program Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 4% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property other than aviation fuel sold on or after December 1, 2019. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

For aviation fuel sold on or after December 1, 2019, each month the Department shall pay into the State Aviation Program Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of aviation fuel, less an amount estimated by the Department to be required for refunds of the 16% portion of the tax on aviation fuel under this Act, which amount shall be deposited into the Aviation Fuel Sales Tax Refund Fund. The Department shall only pay moneys into the State Aviation Program Fund and the Aviation Fuel Sales Tax Refund Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to this Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as hereinafter defined), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; the "Annual Specified Amount" means the amounts specified below for fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0

1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and
each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Capital Projects Fund, the Clean Air Act Permit Fund, the Build Illinois Fund, and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, the Department shall each month deposit into the Aviation

Fuel Sales Tax Refund Fund an amount estimated by the Department to be required for refunds of the 80% portion of the tax on aviation fuel under this Act.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department (except the amount collected on aviation fuel sold on or after December 1, 2019).

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual

return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The provisions of this Section concerning the filing of an annual information return do not apply to a retailer who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

Any person who promotes, organizes, provides retail selling space for concessionaires or other types of sellers at the Illinois State Fair, DuQuoin State Fair, county fairs, local fairs, art shows, flea markets and similar exhibitions or events, including any transient merchant as defined by Section 2 of the Transient Merchant Act of 1987, is required to file a report with the Department providing the name of the merchant's business, the name of the person or persons engaged in merchant's business, the permanent address and Illinois Retailers Occupation Tax Registration Number of the merchant, the dates and location of the event and other reasonable information that the Department may require. The report must be filed not later than the 20th day of the month next following the month during which the event with retail sales was held. Any person who fails to file a report required by this Section commits a business offense and is subject to a fine not to exceed \$250.

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

(35 ILCS 120/6) (from Ch. 120, par. 445)

Sec. 6. Credit memorandum or refund. If it appears, after claim therefor filed with the Department, that an amount of tax or penalty or interest has been paid which was not due under this Act, whether as the result of a mistake of fact or an error of law, except as hereinafter provided, then the Department shall issue a credit memorandum or refund to the person who made the erroneous payment or, if that person died or became a person under legal disability, to his or her legal representative, as such. For purposes of this Section, the tax is deemed to be erroneously paid by a retailer when the manufacturer of a motor vehicle sold by the retailer accepts the return of that automobile and refunds to the purchaser the selling price of that vehicle as provided in the New Vehicle Buyer Protection Act. When a motor vehicle is returned for a refund of the purchase price under the New Vehicle Buyer Protection Act, the Department shall issue a credit memorandum or a refund for the amount of tax paid by the retailer under this Act attributable to the initial sale of that vehicle. Claims submitted by the retailer are subject to the same restrictions and procedures provided for in this Act. If it is determined that the Department should issue a credit memorandum or refund, the Department may first apply the amount thereof against any tax or penalty or interest due or to become due under this Act or under the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, any local occupation or use tax administered by the Department, Section 4 of the Water Commission Act of 1985, subsections (b), (c) and (d) of Section 5.01 of the Local Mass Transit District Act, or subsections (e), (f) and (g) of Section 4.03 of the Regional Transportation Authority Act, from the person who made the erroneous payment. If no tax or penalty or interest is due and no

proceeding is pending to determine whether such person is indebted to the Department for tax or penalty or interest, the credit memorandum or refund shall be issued to the claimant; or (in the case of a credit memorandum) the credit memorandum may be assigned and set over by the lawful holder thereof, subject to reasonable rules of the Department, to any other person who is subject to this Act, the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, any local occupation or use tax administered by the Department, Section 4 of the Water Commission Act of 1985, subsections (b), (c) and (d) of Section 5.01 of the Local Mass Transit District Act, or subsections (e), (f) and (g) of Section 4.03 of the Regional Transportation Authority Act, and the amount thereof applied by the Department against any tax or penalty or interest due or to become due under this Act or under the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, any local occupation or use tax administered by the Department, Section 4 of the Water Commission Act of 1985, subsections (b), (c) and (d) of Section 5.01 of the Local Mass Transit District Act, or subsections (e), (f) and (g) of Section 4.03 of the Regional Transportation Authority Act, from such assignee. However, as to any claim for credit or refund filed with the Department on and after each January 1 and July 1 no amount of tax or penalty or interest erroneously paid (either in total or partial liquidation of a tax or penalty or amount of interest under this Act) more than 3 years prior to such January 1 and July 1, respectively, shall be credited or refunded, except that if both the Department and the taxpayer have agreed to an extension of time to issue a notice of tax liability as provided in Section 4 of this Act, such claim may be filed at any time prior to the expiration of the period agreed upon.

No claim may be allowed for any amount paid to the Department, whether paid voluntarily or involuntarily, if paid in total or partial liquidation of an assessment which had become final before the claim for credit or refund to recover the amount so paid is filed with the Department, or if paid in total or partial liquidation of a judgment or order of court. No credit may be allowed or refund made for any amount paid by or collected from any claimant unless it appears (a) that the claimant bore the burden of such amount and has not been relieved thereof nor reimbursed therefor and has not shifted such burden directly or indirectly through inclusion of such amount in the price of the tangible personal property sold by him or her or in any manner whatsoever; and that no understanding or agreement, written or oral, exists whereby he or she or his or her legal representative may be relieved of the burden of such amount, be reimbursed therefor or may shift the burden thereof; or (b) that he or she or his or her legal representative has repaid unconditionally such amount to his or her vendee (1) who bore the burden thereof and has not shifted such burden directly or indirectly, in any manner whatsoever; (2) who, if he or she has shifted such burden, has repaid unconditionally such amount to his own vendee; and (3) who is not entitled to receive any reimbursement therefor from any other source than from his or her vendor, nor to be relieved of such burden in any manner whatsoever. No credit may be allowed or refund made for any amount paid by or collected from any claimant unless it appears that the claimant has unconditionally repaid, to the purchaser, any amount collected from the purchaser and retained by the claimant with respect to the same transaction under the Use Tax Act.

Any credit or refund that is allowed under this Section shall bear interest at the rate and in the manner specified in the Uniform Penalty and Interest Act.

In case the Department determines that the claimant is entitled to a refund, such refund shall be made only from the Aviation Fuel Sales Tax Refund Fund or from such appropriation as may be available for that purpose, as appropriate. If it appears unlikely that the amount available ~~appropriated~~ would permit everyone having a claim allowed during the period covered by such appropriation or from the Aviation Fuel Sales Tax Refund Fund, as appropriate, to elect to receive a cash refund, the Department, by rule or regulation, shall provide for the payment of refunds in hardship cases and shall define what types of cases qualify as hardship cases.

If a retailer who has failed to pay retailers' occupation tax on gross receipts from retail sales is required by the Department to pay such tax, such retailer, without filing any formal claim with the Department, shall be allowed to take credit against such retailers' occupation tax liability to the extent, if any, to which such retailer has paid an amount equivalent to retailers' occupation tax or has paid use tax in error to his or her vendor or vendors of the same tangible personal property which such retailer bought for resale and did not first use before selling it, and no penalty or interest shall be charged to such retailer on the amount of such credit. However, when such credit is allowed to the retailer by the Department, the vendor is precluded from refunding any of that tax to the retailer and filing a claim for credit or refund with respect thereto with the Department. The provisions of this amendatory Act shall be applied retroactively, regardless of the date of the transaction.

(Source: P.A. 91-901, eff. 1-1-01.)

(35 ILCS 120/11) (from Ch. 120, par. 450)

Sec. 11. All information received by the Department from returns filed under this Act, or from any investigation conducted under this Act, shall be confidential, except for official purposes, and any person

who divulges any such information in any manner, except in accordance with a proper judicial order or as otherwise provided by law, shall be guilty of a Class B misdemeanor with a fine not to exceed \$7,500.

Nothing in this Act prevents the Director of Revenue from publishing or making available to the public the names and addresses of persons filing returns under this Act, or reasonable statistics concerning the operation of the tax by grouping the contents of returns so the information in any individual return is not disclosed.

Nothing in this Act prevents the Director of Revenue from divulging to the United States Government or the government of any other state, or any officer or agency thereof, for exclusively official purposes, information received by the Department in administering this Act, provided that such other governmental agency agrees to divulge requested tax information to the Department.

The Department's furnishing of information derived from a taxpayer's return or from an investigation conducted under this Act to the surety on a taxpayer's bond that has been furnished to the Department under this Act, either to provide notice to such surety of its potential liability under the bond or, in order to support the Department's demand for payment from such surety under the bond, is an official purpose within the meaning of this Section.

The furnishing upon request of information obtained by the Department from returns filed under this Act or investigations conducted under this Act to the Illinois Liquor Control Commission for official use is deemed to be an official purpose within the meaning of this Section.

Notice to a surety of potential liability shall not be given unless the taxpayer has first been notified, not less than 10 days prior thereto, of the Department's intent to so notify the surety.

The furnishing upon request of the Auditor General, or his authorized agents, for official use, of returns filed and information related thereto under this Act is deemed to be an official purpose within the meaning of this Section.

Where an appeal or a protest has been filed on behalf of a taxpayer, the furnishing upon request of the attorney for the taxpayer of returns filed by the taxpayer and information related thereto under this Act is deemed to be an official purpose within the meaning of this Section.

The furnishing of financial information to a municipality or county, upon request of the chief executive officer thereof, is an official purpose within the meaning of this Section, provided the municipality or county agrees in writing to the requirements of this Section. Information provided to municipalities and counties under this paragraph shall be limited to: (1) the business name; (2) the business address; (3) the standard classification number assigned to the business; (4) net revenue distributed to the requesting municipality or county that is directly related to the requesting municipality's or county's local share of the proceeds under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act distributed from the Local Government Tax Fund, and, if applicable, any locally imposed retailers' occupation tax or service occupation tax; and (5) a listing of all businesses within the requesting municipality or county by account identification number and address. On and after July 1, 2015, the furnishing of financial information to municipalities and counties under this paragraph may be by electronic means.

Information so provided shall be subject to all confidentiality provisions of this Section. The written agreement shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information.

The Department may make available to the Board of Trustees of any Metro East Mass Transit District information contained on transaction reporting returns required to be filed under Section 3 of this Act that report sales made within the boundary of the taxing authority of that Metro East Mass Transit District, as provided in Section 5.01 of the Local Mass Transit District Act. The disclosure shall be made pursuant to a written agreement between the Department and the Board of Trustees of a Metro East Mass Transit District, which is an official purpose within the meaning of this Section. The written agreement between the Department and the Board of Trustees of a Metro East Mass Transit District shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information. Information so provided shall be subject to all confidentiality provisions of this Section.

The Director may make available to any State agency, including the Illinois Supreme Court, which licenses persons to engage in any occupation, information that a person licensed by such agency has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. The Director may make available to any State agency, including the Illinois Supreme Court, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to collect and remit Illinois Use tax on sales into Illinois, or any tax under this Act or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. The Director may make available to units of local government and school districts

that require bidder and contractor certifications, as set forth in Sections 50-11 and 50-12 of the Illinois Procurement Code, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to collect and remit Illinois Use tax on sales into Illinois, file returns under this Act, or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this Section, an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this Section, the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

The Director may make available to any State agency, including the Illinois Supreme Court, units of local government, and school districts, information regarding whether a bidder or contractor is an affiliate of a person who is not collecting and remitting Illinois Use taxes for the limited purpose of enforcing bidder and contractor certifications.

The Director may also make available to the Secretary of State information that a limited liability company, which has filed articles of organization with the Secretary of State, or corporation which has been issued a certificate of incorporation by the Secretary of State has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. An assessment is final when all proceedings in court for review of such assessment have terminated or the time for the taking thereof has expired without such proceedings being instituted.

The Director shall make available for public inspection in the Department's principal office and for publication, at cost, administrative decisions issued on or after January 1, 1995. These decisions are to be made available in a manner so that the following taxpayer information is not disclosed:

(1) The names, addresses, and identification numbers of the taxpayer, related entities, and employees.

(2) At the sole discretion of the Director, trade secrets or other confidential information identified as such by the taxpayer, no later than 30 days after receipt of an administrative decision, by such means as the Department shall provide by rule.

The Director shall determine the appropriate extent of the deletions allowed in paragraph (2). In the event the taxpayer does not submit deletions, the Director shall make only the deletions specified in paragraph (1).

The Director shall make available for public inspection and publication an administrative decision within 180 days after the issuance of the administrative decision. The term "administrative decision" has the same meaning as defined in Section 3-101 of Article III of the Code of Civil Procedure. Costs collected under this Section shall be paid into the Tax Compliance and Administration Fund.

Nothing contained in this Act shall prevent the Director from divulging information to any person pursuant to a request or authorization made by the taxpayer or by an authorized representative of the taxpayer.

The furnishing of information obtained by the Department from returns filed under this amendatory Act of the 101st General Assembly to the Department of Transportation for purposes of compliance with this amendatory Act of the 101st General Assembly regarding aviation fuel is deemed to be an official purpose within the meaning of this Section.

(Source: P.A. 98-1058, eff. 1-1-15; 99-517, eff. 6-30-16.)

Section 15-30. The Motor Fuel Tax Law is amended by changing Sections 2, 2b, and 8a as follows:

(35 ILCS 505/2) (from Ch. 120, par. 418)

Sec. 2. A tax is imposed on the privilege of operating motor vehicles upon the public highways and recreational-type watercraft upon the waters of this State.

(a) Prior to August 1, 1989, the tax is imposed at the rate of 13 cents per gallon on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State. Beginning on August 1, 1989 and until January 1, 1990, the rate of the tax imposed in this paragraph shall be 16 cents per gallon. Beginning January 1, 1990, the rate of tax imposed in this paragraph, including the tax on compressed natural gas, shall be 19 cents per gallon.

(b) The tax on the privilege of operating motor vehicles which use diesel fuel, liquefied natural gas, or propane shall be the rate according to paragraph (a) plus an additional 2 1/2 cents per gallon. "Diesel fuel"

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is defined as any product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark.

(c) A tax is imposed upon the privilege of engaging in the business of selling motor fuel as a retailer or reseller on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State: (1) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 A.M. on January 1, 1990.

Retailers and resellers who are subject to this additional tax shall be required to inventory such motor fuel and pay this additional tax in a manner prescribed by the Department of Revenue.

The tax imposed in this paragraph (c) shall be in addition to all other taxes imposed by the State of Illinois or any unit of local government in this State.

(d) Except as provided in Section 2a, the collection of a tax based on gallonage of gasoline used for the propulsion of any aircraft is prohibited on and after October 1, 1979, and the collection of a tax based on gallonage of special fuel used for the propulsion of any aircraft is prohibited on and after December 1, 2019.

(e) The collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited (i) on and after July 1, 1992 until December 31, 1999, except when the 1-K kerosene is either: (1) delivered into bulk storage facilities of a bulk user, or (2) delivered directly into the fuel supply tanks of motor vehicles and (ii) on and after January 1, 2000. Beginning on January 1, 2000, the collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited except when the 1-K kerosene is delivered directly into a storage tank that is located at a facility that has withdrawal facilities that are readily accessible to and are capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles. For purposes of this subsection (e), a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles" only if the 1-K kerosene is delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling.

Any person who sells or uses 1-K kerosene for use in motor vehicles upon which the tax imposed by this Law has not been paid shall be liable for any tax due on the sales or use of 1-K kerosene.

(Source: P.A. 100-9, eff. 7-1-17.)

(35 ILCS 505/2b) (from Ch. 120, par. 418b)

Sec. 2b. Receiver's monthly return. In addition to the tax collection and reporting responsibilities imposed elsewhere in this Act, a person who is required to pay the tax imposed by Section 2a of this Act shall pay the tax to the Department by return showing all fuel purchased, acquired or received and sold, distributed or used during the preceding calendar month including losses of fuel as the result of evaporation or shrinkage due to temperature variations, and such other reasonable information as the Department may require. Losses of fuel as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of the month, plus the receipts of gallonage during the month, minus the gallonage remaining in storage at the end of the month. Any loss reported that is in excess of this amount shall be subject to the tax imposed by Section 2a of this Law. On and after July 1, 2001, for each 6-month period January through June, net losses of fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each January, plus the receipts of gallonage each January through June, minus the gallonage remaining in storage at the end of each June. On and after July 1, 2001, for each 6-month period July through December, net losses of fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each July, plus the receipts of gallonage each July through December, minus the gallonage remaining in storage at the end of each December. Any net loss reported that is in excess of this amount shall be subject to the tax imposed by Section 2a of this Law. For purposes of this Section, "net loss" means the number of gallons gained through temperature variations minus the number of gallons lost through temperature variations or evaporation for each of the respective 6-month periods.

The return shall be prescribed by the Department and shall be filed between the 1st and 20th days of each calendar month. The Department may, in its discretion, combine the returns filed under this Section, Section 5, and Section 5a of this Act. The return must be accompanied by appropriate computer-generated magnetic media supporting schedule data in the format required by the Department, unless, as provided by rule, the Department grants an exception upon petition of a taxpayer. If the return is filed timely, the

seller shall take a discount of 2% through June 30, 2003 and 1.75% thereafter which is allowed to reimburse the seller for the expenses incurred in keeping records, preparing and filing returns, collecting and remitting the tax and supplying data to the Department on request. The discount, however, shall be applicable only to the amount of payment which accompanies a return that is filed timely in accordance with this Section. The discount under this Section is not allowed for taxes paid on aviation fuel that are deposited into the State Aviation Program Fund under this Act.

Beginning on January 1, 2020, each person who is required to pay the tax imposed under Section 2a of this Act on aviation fuel sold or used in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, report and pay such tax on a separate aviation fuel tax return, on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, a person required to pay the tax imposed by Section 2a of this Act on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel tax payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

If any payment provided for in this Section exceeds the receiver's liabilities under this Act, as shown on an original return, the Department may authorize the receiver to credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the receiver, the receiver's discount shall be reduced by an amount equal to the difference between the discount as applied to the credit taken and that actually due, and that receiver shall be liable for penalties and interest on such difference.

(Source: P.A. 100-1171, eff. 1-4-19.)

(35 ILCS 505/8a) (from Ch. 120, par. 424a)

Sec. 8a. All money received by the Department under Section 2a of this Act, except money received from taxes on aviation fuel sold or used on or after December 1, 2019, shall be deposited in the Underground Storage Tank Fund created by Section 57.11 of the Environmental Protection Act, as now or hereafter amended. All money received by the Department under Section 2a of this Act for aviation fuel sold or used on or after December 1, 2019, shall be deposited into the State Aviation Program Fund. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State. For purposes of this Section, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

(Source: P.A. 88-496.)

Section 15-32. The Illinois Income Tax Act is amended by changing Section 703A as follows:

(35 ILCS 5/703A)

Sec. 703A. Information for reportable payment transactions. Every person required under Section 6050W of the Internal Revenue Code to file federal Form 1099-K, Third-Party Payment Card and Third Party Network Transactions, identifying a reportable payment transaction to a payee with an Illinois address shall furnish a copy to the Department at such time and in such manner as the Department may prescribe. In addition, for reporting periods beginning on or after January 1, 2020, at the same time and in the same manner as the foregoing reportable payment transactions are required to be reported to the Department, the person shall report to the Department and to any payee with an Illinois address any information required by Section 6050W of the Internal Revenue Code with respect to third-party network transactions related to that payee, but without regard to the de minimis limitations of subsection (e) of Section 6050W of the Internal Revenue Code, if, in that reporting period, the amount of those transactions exceeds \$1,000 and the aggregate number of those transactions exceeds 3. Failure to provide any information required by this Section shall incur a penalty for failure to file an information return as provided in Section 3-4 of the Uniform Penalty and Interest Act. The Department shall not share information gathered from Third Party Settlement Organizations with other federal, State, or local government entities.

(Source: P.A. 100-1171, eff. 1-4-19.)

Section 15-35. The Innovation Development and Economy Act is amended by changing Sections 10 and 31 as follows:

(50 ILCS 470/10)

Sec. 10. Definitions. As used in this Act, the following words and phrases shall have the following meanings unless a different meaning clearly appears from the context:

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"Base year" means the calendar year immediately prior to the calendar year in which the STAR bond district is established.

"Commence work" means the manifest commencement of actual operations on the development site, such as, erecting a building, general on-site and off-site grading and utility installations, commencing design and construction documentation, ordering lead-time materials, excavating the ground to lay a foundation or a basement, or work of like description which a reasonable person would recognize as being done with the intention and purpose to continue work until the project is completed.

"County" means the county in which a proposed STAR bond district is located.

"De minimis" means an amount less than 15% of the land area within a STAR bond district.

"Department of Revenue" means the Department of Revenue of the State of Illinois.

"Destination user" means an owner, operator, licensee, co-developer, subdeveloper, or tenant (i) that operates a business within a STAR bond district that is a retail store having at least 150,000 square feet of sales floor area; (ii) that at the time of opening does not have another Illinois location within a 70 mile radius; (iii) that has an annual average of not less than 30% of customers who travel from at least 75 miles away or from out-of-state, as demonstrated by data from a comparable existing store or stores, or, if there is no comparable existing store, as demonstrated by an economic analysis that shows that the proposed retailer will have an annual average of not less than 30% of customers who travel from at least 75 miles away or from out-of-state; and (iv) that makes an initial capital investment, including project costs and other direct costs, of not less than \$30,000,000 for such retail store.

"Destination hotel" means a hotel (as that term is defined in Section 2 of the Hotel Operators' Occupation Tax Act) complex having at least 150 guest rooms and which also includes a venue for entertainment attractions, rides, or other activities oriented toward the entertainment and amusement of its guests and other patrons.

"Developer" means any individual, corporation, trust, estate, partnership, limited liability partnership, limited liability company, or other entity. The term does not include a not-for-profit entity, political subdivision, or other agency or instrumentality of the State.

"Director" means the Director of Revenue, who shall consult with the Director of Commerce and Economic Opportunity in any approvals or decisions required by the Director under this Act.

"Economic impact study" means a study conducted by an independent economist to project the financial benefit of the proposed STAR bond project to the local, regional, and State economies, consider the proposed adverse impacts on similar projects and businesses, as well as municipalities within the projected market area, and draw conclusions about the net effect of the proposed STAR bond project on the local, regional, and State economies. A copy of the economic impact study shall be provided to the Director for review.

"Eligible area" means any improved or vacant area that (i) is contiguous and is not, in the aggregate, less than 250 acres nor more than 500 acres which must include only parcels of real property directly and substantially benefited by the proposed STAR bond district plan, (ii) is adjacent to a federal interstate highway, (iii) is within one mile of 2 State highways, (iv) is within one mile of an entertainment user, or a major or minor league sports stadium or other similar entertainment venue that had an initial capital investment of at least \$20,000,000, and (v) includes land that was previously surface or strip mined. The area may be bisected by streets, highways, roads, alleys, railways, bike paths, streams, rivers, and other waterways and still be deemed contiguous. In addition, in order to constitute an eligible area one of the following requirements must be satisfied and all of which are subject to the review and approval of the Director as provided in subsection (d) of Section 15:

(a) the governing body of the political subdivision shall have determined that the area meets the requirements of a "blighted area" as defined under the Tax Increment Allocation Redevelopment Act; or

(b) the governing body of the political subdivision shall have determined that the area is a blighted area as determined under the provisions of Section 11-74.3-5 of the Illinois Municipal Code; or

(c) the governing body of the political subdivision shall make the following findings:

(i) that the vacant portions of the area have remained vacant for at least one year, or that any building located on a vacant portion of the property was demolished within the last year and that the building would have qualified under item (ii) of this subsection;

(ii) if portions of the area are currently developed, that the use, condition, and character of the buildings on the property are not consistent with the purposes set forth in Section 5;

(iii) that the STAR bond district is expected to create or retain job opportunities within the political subdivision;

(iv) that the STAR bond district will serve to further the development of adjacent

areas;

(v) that without the availability of STAR bonds, the projects described in the STAR bond district plan would not be possible;

(vi) that the master developer meets high standards of creditworthiness and financial strength as demonstrated by one or more of the following: (i) corporate debenture ratings of BBB or higher by Standard & Poor's Corporation or Baa or higher by Moody's Investors Service, Inc.; (ii) a letter from a financial institution with assets of \$10,000,000 or more attesting to the financial strength of the master developer; or (iii) specific evidence of equity financing for not less than 10% of the estimated total STAR bond project costs;

(vii) that the STAR bond district will strengthen the commercial sector of the political subdivision;

(viii) that the STAR bond district will enhance the tax base of the political subdivision; and

(ix) that the formation of a STAR bond district is in the best interest of the political subdivision.

"Entertainment user" means an owner, operator, licensee, co-developer, subdeveloper, or tenant that operates a business within a STAR bond district that has a primary use of providing a venue for entertainment attractions, rides, or other activities oriented toward the entertainment and amusement of its patrons, occupies at least 20 acres of land in the STAR bond district, and makes an initial capital investment, including project costs and other direct and indirect costs, of not less than \$25,000,000 for that venue.

"Feasibility study" means a feasibility study as defined in subsection (b) of Section 20.

"Infrastructure" means the public improvements and private improvements that serve the public purposes set forth in Section 5 of this Act and that benefit the STAR bond district or any STAR bond projects, including, but not limited to, streets, drives and driveways, traffic and directional signs and signals, parking lots and parking facilities, interchanges, highways, sidewalks, bridges, underpasses and overpasses, bike and walking trails, sanitary storm sewers and lift stations, drainage conduits, channels, levees, canals, storm water detention and retention facilities, utilities and utility connections, water mains and extensions, and street and parking lot lighting and connections.

"Local sales taxes" means any locally imposed taxes received by a municipality, county, or other local governmental entity arising from sales by retailers and servicemen within a STAR bond district, including business district sales taxes and STAR bond occupation taxes, and that portion of the net revenue realized under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act from transactions at places of business located within a STAR bond district that is deposited into the Local Government Tax Fund and the County and Mass Transit District Fund. For the purpose of this Act, "local sales taxes" does not include (i) any taxes authorized pursuant to the Local Mass Transit District Act or the Metro-East Park and Recreation District Act for so long as the applicable taxing district does not impose a tax on real property, (ii) county school facility occupation taxes imposed pursuant to Section 5-1006.7 of the Counties Code, or (iii) any taxes authorized under the Flood Prevention District Act.

"Local sales tax increment" means, except as otherwise provided in this Section, with respect to local sales taxes administered by the Illinois Department of Revenue, (i) all of the local sales tax paid by destination users, destination hotels, and entertainment users that is in excess of the local sales tax paid by destination users, destination hotels, and entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue, (ii) in the case of a municipality forming a STAR bond district that is wholly within the corporate boundaries of the municipality and in the case of a municipality and county forming a STAR bond district that is only partially within such municipality, that portion of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users that is in excess of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue, and (iii) in the case of a county in which a STAR bond district is formed that is wholly within a municipality, that portion of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users that is in excess of the local sales tax paid by taxpayers that are not destination users, destination hotels, or entertainment users for the same month in the base year, as determined by the Illinois Department of Revenue, but only if the corporate authorities of the county adopts an ordinance, and files a copy with the Department within the same time frames as required for STAR bond occupation taxes under Section 31, that designates the taxes referenced in this clause (iii) as part of the local sales tax increment under this Act. "Local sales tax increment" means, with respect to local sales taxes administered by a municipality, county, or other unit of local government, that portion of

the local sales tax that is in excess of the local sales tax for the same month in the base year, as determined by the respective municipality, county, or other unit of local government. If any portion of local sales taxes are, at the time of formation of a STAR bond district, already subject to tax increment financing under the Tax Increment Allocation Redevelopment Act, then the local sales tax increment for such portion shall be frozen at the base year established in accordance with this Act, and all future incremental increases shall be included in the "local sales tax increment" under this Act. Any party otherwise entitled to receipt of incremental local sales tax revenues through an existing tax increment financing district shall be entitled to continue to receive such revenues up to the amount frozen in the base year. Nothing in this Act shall affect the prior qualification of existing redevelopment project costs incurred that are eligible for reimbursement under the Tax Increment Allocation Redevelopment Act. In such event, prior to approving a STAR bond district, the political subdivision forming the STAR bond district shall take such action as is necessary, including amending the existing tax increment financing district redevelopment plan, to carry out the provisions of this Act. The Illinois Department of Revenue shall allocate the local sales tax increment only if the local sales tax is administered by the Department. "Local sales tax increment" does not include taxes and penalties collected on aviation fuel, as defined in Section 3 of the Retailers' Occupation Tax, sold on or after December 1, 2019.

"Market study" means a study to determine the ability of the proposed STAR bond project to gain market share locally and regionally and to remain profitable past the term of repayment of STAR bonds.

"Master developer" means a developer cooperating with a political subdivision to plan, develop, and implement a STAR bond project plan for a STAR bond district. Subject to the limitations of Section 25, the master developer may work with and transfer certain development rights to other developers for the purpose of implementing STAR bond project plans and achieving the purposes of this Act. A master developer for a STAR bond district shall be appointed by a political subdivision in the resolution establishing the STAR bond district, and the master developer must, at the time of appointment, own or have control of, through purchase agreements, option contracts, or other means, not less than 50% of the acreage within the STAR bond district and the master developer or its affiliate must have ownership or control on June 1, 2010.

"Master development agreement" means an agreement between the master developer and the political subdivision to govern a STAR bond district and any STAR bond projects.

"Municipality" means the city, village, or incorporated town in which a proposed STAR bond district is located.

"Pledged STAR revenues" means those sales tax and revenues and other sources of funds pledged to pay debt service on STAR bonds or to pay project costs pursuant to Section 30. Notwithstanding any provision to the contrary, the following revenues shall not constitute pledged STAR revenues or be available to pay principal and interest on STAR bonds: any State sales tax increment or local sales tax increment from a retail entity initiating operations in a STAR bond district while terminating operations at another Illinois location within 25 miles of the STAR bond district. For purposes of this paragraph, "terminating operations" means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a STAR bond district within one year before or after initiating operations in the STAR bond district, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality (or county if such retail operation is not located within a municipality) in which the terminated operations were located that the closed location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

"Political subdivision" means a municipality or county which undertakes to establish a STAR bond district pursuant to the provisions of this Act.

"Project costs" means and includes the sum total of all costs incurred or estimated to be incurred on or following the date of establishment of a STAR bond district that are reasonable or necessary to implement a STAR bond district plan or any STAR bond project plans, or both, including costs incurred for public improvements and private improvements that serve the public purposes set forth in Section 5 of this Act. Such costs include without limitation the following:

- (a) costs of studies, surveys, development of plans and specifications, formation, implementation, and administration of a STAR bond district, STAR bond district plan, any STAR bond projects, or any STAR bond project plans, including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning, or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected and no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years;

(b) property assembly costs, including, but not limited to, acquisition of land and other real property or rights or interests therein, located within the boundaries of a STAR bond district, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, the clearing and grading of land, and importing additional soil and fill materials, or removal of soil and fill materials from the site;

(c) subject to paragraph (d), costs of buildings and other vertical improvements that are located within the boundaries of a STAR bond district and owned by a political subdivision or other public entity, including without limitation police and fire stations, educational facilities, and public restrooms and rest areas;

(c-1) costs of buildings and other vertical improvements that are located within the boundaries of a STAR bond district and owned by a destination user or destination hotel; except that only 2 destination users in a STAR bond district and one destination hotel are eligible to include the cost of those vertical improvements as project costs;

(c-5) costs of buildings; rides and attractions, which include carousels, slides, roller coasters, displays, models, towers, works of art, and similar theme and amusement park improvements; and other vertical improvements that are located within the boundaries of a STAR bond district and owned by an entertainment user; except that only one entertainment user in a STAR bond district is eligible to include the cost of those vertical improvements as project costs;

(d) costs of the design and construction of infrastructure and public works located within the boundaries of a STAR bond district that are reasonable or necessary to implement a STAR bond district plan or any STAR bond project plans, or both, except that project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building unless the political subdivision makes a reasonable determination in a STAR bond district plan or any STAR bond project plans, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the STAR bond district plan or any STAR bond project plans;

(e) costs of the design and construction of the following improvements located outside the boundaries of a STAR bond district, provided that the costs are essential to further the purpose and development of a STAR bond district plan and either (i) part of and connected to sewer, water, or utility service lines that physically connect to the STAR bond district or (ii) significant improvements for adjacent offsite highways, streets, roadways, and interchanges that are approved by the Illinois Department of Transportation. No other cost of infrastructure and public works improvements located outside the boundaries of a STAR bond district may be deemed project costs;

(f) costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within a STAR bond district;

(g) financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any improvements in a STAR bond district or any STAR bond projects for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(h) to the extent the political subdivision by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from a STAR bond district or STAR bond projects necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of a STAR bond district plan or STAR bond project plans;

(i) interest cost incurred by a developer for project costs related to the acquisition, formation, implementation, development, construction, and administration of a STAR bond district, STAR bond district plan, STAR bond projects, or any STAR bond project plans provided that:

(i) payment of such costs in any one year may not exceed 30% of the annual interest costs incurred by the developer with regard to the STAR bond district or any STAR bond projects during that year; and

(ii) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total cost paid or incurred by the developer for a STAR bond district or STAR bond projects, plus project costs, excluding any property assembly costs incurred by a political subdivision pursuant to this Act;

(j) costs of common areas located within the boundaries of a STAR bond district;

(k) costs of landscaping and plantings, retaining walls and fences, man-made lakes and

ponds, shelters, benches, lighting, and similar amenities located within the boundaries of a STAR bond district;

(l) costs of mounted building signs, site monument, and pylon signs located within the boundaries of a STAR bond district; or

(m) if included in the STAR bond district plan and approved in writing by the Director, salaries or a portion of salaries for local government employees to the extent the same are directly attributable to the work of such employees on the establishment and management of a STAR bond district or any STAR bond projects.

Except as specified in items (a) through (m), "project costs" shall not include:

(i) the cost of construction of buildings that are privately owned or owned by a municipality and leased to a developer or retail user for non-entertainment retail uses;

(ii) moving expenses for employees of the businesses locating within the STAR bond district;

(iii) property taxes for property located in the STAR bond district;

(iv) lobbying costs; and

(v) general overhead or administrative costs of the political subdivision that would

still have been incurred by the political subdivision if the political subdivision had not established a STAR bond district.

"Project development agreement" means any one or more agreements, including any amendments thereto, between a master developer and any co-developer or subdeveloper in connection with a STAR bond project, which project development agreement may include the political subdivision as a party.

"Projected market area" means any area within the State in which a STAR bond district or STAR bond project is projected to have a significant fiscal or market impact as determined by the Director.

"Resolution" means a resolution, order, ordinance, or other appropriate form of legislative action of a political subdivision or other applicable public entity approved by a vote of a majority of a quorum at a meeting of the governing body of the political subdivision or applicable public entity.

"STAR bond" means a sales tax and revenue bond, note, or other obligation payable from pledged STAR revenues and issued by a political subdivision, the proceeds of which shall be used only to pay project costs as defined in this Act.

"STAR bond district" means the specific area declared to be an eligible area as determined by the political subdivision, and approved by the Director, in which the political subdivision may develop one or more STAR bond projects.

"STAR bond district plan" means the preliminary or conceptual plan that generally identifies the proposed STAR bond project areas and identifies in a general manner the buildings, facilities, and improvements to be constructed or improved in each STAR bond project area.

"STAR bond project" means a project within a STAR bond district which is approved pursuant to Section 20.

"STAR bond project area" means the geographic area within a STAR bond district in which there may be one or more STAR bond projects.

"STAR bond project plan" means the written plan adopted by a political subdivision for the development of a STAR bond project in a STAR bond district; the plan may include, but is not limited to, (i) project costs incurred prior to the date of the STAR bond project plan and estimated future STAR bond project costs, (ii) proposed sources of funds to pay those costs, (iii) the nature and estimated term of any obligations to be issued by the political subdivision to pay those costs, (iv) the most recent equalized assessed valuation of the STAR bond project area, (v) an estimate of the equalized assessed valuation of the STAR bond district or applicable project area after completion of a STAR bond project, (vi) a general description of the types of any known or proposed developers, users, or tenants of the STAR bond project or projects included in the plan, (vii) a general description of the type, structure, and character of the property or facilities to be developed or improved, (viii) a description of the general land uses to apply to the STAR bond project, and (ix) a general description or an estimate of the type, class, and number of employees to be employed in the operation of the STAR bond project.

"State sales tax" means all of the net revenue realized under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act from transactions at places of business located within a STAR bond district, excluding that portion of the net revenue realized under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act from transactions at places of business located within a STAR bond district that is deposited into the Local Government Tax Fund and the County and Mass Transit District Fund.

"State sales tax increment" means (i) 100% of that portion of the State sales tax that is in excess of the State sales tax for the same month in the base year, as determined by the Department of Revenue, from

transactions at up to 2 destination users, one destination hotel, and one entertainment user located within a STAR bond district, which destination users, destination hotel, and entertainment user shall be designated by the master developer and approved by the political subdivision and the Director in conjunction with the applicable STAR bond project approval, and (ii) 25% of that portion of the State sales tax that is in excess of the State sales tax for the same month in the base year, as determined by the Department of Revenue, from all other transactions within a STAR bond district. If any portion of State sales taxes are, at the time of formation of a STAR bond district, already subject to tax increment financing under the Tax Increment Allocation Redevelopment Act, then the State sales tax increment for such portion shall be frozen at the base year established in accordance with this Act, and all future incremental increases shall be included in the State sales tax increment under this Act. Any party otherwise entitled to receipt of incremental State sales tax revenues through an existing tax increment financing district shall be entitled to continue to receive such revenues up to the amount frozen in the base year. Nothing in this Act shall affect the prior qualification of existing redevelopment project costs incurred that are eligible for reimbursement under the Tax Increment Allocation Redevelopment Act. In such event, prior to approving a STAR bond district, the political subdivision forming the STAR bond district shall take such action as is necessary, including amending the existing tax increment financing district redevelopment plan, to carry out the provisions of this Act.

"Substantial change" means a change wherein the proposed STAR bond project plan differs substantially in size, scope, or use from the approved STAR bond district plan or STAR bond project plan.

"Taxpayer" means an individual, partnership, corporation, limited liability company, trust, estate, or other entity that is subject to the Illinois Income Tax Act.

"Total development costs" means the aggregate public and private investment in a STAR bond district, including project costs and other direct and indirect costs related to the development of the STAR bond district.

"Traditional retail use" means the operation of a business that derives at least 90% of its annual gross revenue from sales at retail, as that phrase is defined by Section 1 of the Retailers' Occupation Tax Act, but does not include the operations of destination users, entertainment users, restaurants, hotels, retail uses within hotels, or any other non-retail uses.

"Vacant" means that portion of the land in a proposed STAR bond district that is not occupied by a building, facility, or other vertical improvement.

(Source: P.A. 99-642, eff. 7-28-16.)

(50 ILCS 470/31)

Sec. 31. STAR bond occupation taxes.

(a) If the corporate authorities of a political subdivision have established a STAR bond district and have elected to impose a tax by ordinance pursuant to subsection (b) or (c) of this Section, each year after the date of the adoption of the ordinance and until all STAR bond project costs and all political subdivision obligations financing the STAR bond project costs, if any, have been paid in accordance with the STAR bond project plans, but in no event longer than the maximum maturity date of the last of the STAR bonds issued for projects in the STAR bond district, all amounts generated by the retailers' occupation tax and service occupation tax shall be collected and the tax shall be enforced by the Department of Revenue in the same manner as all retailers' occupation taxes and service occupation taxes imposed in the political subdivision imposing the tax. The corporate authorities of the political subdivision shall deposit the proceeds of the taxes imposed under subsections (b) and (c) into either (i) a special fund held by the corporate authorities of the political subdivision called the STAR Bonds Tax Allocation Fund for the purpose of paying STAR bond project costs and obligations incurred in the payment of those costs if such taxes are designated as pledged STAR revenues by resolution or ordinance of the political subdivision or (ii) the political subdivision's general corporate fund if such taxes are not designated as pledged STAR revenues by resolution or ordinance.

The tax imposed under this Section by a municipality may be imposed only on the portion of a STAR bond district that is within the boundaries of the municipality. For any part of a STAR bond district that lies outside of the boundaries of that municipality, the municipality in which the other part of the STAR bond district lies (or the county, in cases where a portion of the STAR bond district lies in the unincorporated area of a county) is authorized to impose the tax under this Section on that part of the STAR bond district.

(b) The corporate authorities of a political subdivision that has established a STAR bond district under this Act may, by ordinance or resolution, impose a STAR Bond Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the STAR bond district at a rate not to exceed 1% of the gross receipts from the sales made in the course of that business, to be

imposed only in 0.25% increments. The tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax. The municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22 of the Illinois Municipal Code. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with, this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a through 1o, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsection (c) of this Section.

(c) If a tax has been imposed under subsection (b), a STAR Bond Service Occupation Tax shall also be imposed upon all persons engaged, in the STAR bond district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the STAR bond district, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax shall be imposed at the same rate as the tax imposed in subsection (b) and shall not exceed 1% of the selling price of tangible personal property so transferred within the STAR bond district, to be imposed only in 0.25% increments. The tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax. The municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22 of the Illinois Municipal Code. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under that ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure as are prescribed in Sections 2, 2a through 2d, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the STAR bond district), 5, 7, 8 (except that the jurisdiction to which the tax shall be a

debt to the extent indicated in that Section 8 shall be the political subdivision), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the political subdivision), the first paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

If a tax is imposed under this subsection (c), a tax shall also be imposed under subsection (b) of this Section.

(d) Persons subject to any tax imposed under this Section may reimburse themselves for their seller's tax liability under this Section by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the STAR Bond Retailers' Occupation Tax Fund.

Except as otherwise provided in this paragraph, the The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes, penalties, and interest collected under this Section for deposit into the STAR Bond Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District. On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named political subdivisions from the STAR Bond Retailers' Occupation Tax Fund, the political subdivisions to be those from which retailers have paid taxes or penalties under this Section to the Department during the second preceding calendar month. The amount to be paid to each political subdivision shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, less 3% of that amount, which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this Section, on behalf of such political subdivision, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the political subdivision. Within 10 days after receipt by the Comptroller of the disbursement certification to the political subdivisions provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification. The proceeds of the tax paid to political subdivisions under this Section shall be deposited into either (i) the STAR Bonds Tax Allocation Fund by the political subdivision if the political subdivision has designated them as pledged STAR revenues by resolution or ordinance or (ii) the political subdivision's general corporate fund if the political subdivision has not designated them as pledged STAR revenues.

An ordinance or resolution imposing or discontinuing the tax under this Section or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department, if all other requirements of this Section are met, shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon, if all other requirements of this Section are met, the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of the tax under this Section until the political subdivision also provides, in the manner prescribed by the Department, the boundaries of the STAR bond district and each address in the STAR bond district in such a way that the Department can determine by its address whether a business is located

in the STAR bond district. The political subdivision must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this Section by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this Section by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a STAR bond district or any address change, addition, or deletion until the political subdivision reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The political subdivision must provide this boundary change or address change, addition, or deletion information to the Department on or before April 1 for administration and enforcement by the Department of the change, addition, or deletion beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change, addition, or deletion beginning on the following January 1. The retailers in the STAR bond district shall be responsible for charging the tax imposed under this Section. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this Section, both the Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the political subdivision.

A political subdivision that imposes the tax under this Section must submit to the Department of Revenue any other information as the Department may require that is necessary for the administration and enforcement of the tax.

When certifying the amount of a monthly disbursement to a political subdivision under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Nothing in this Section shall be construed to authorize the political subdivision to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(e) When STAR bond project costs, including, without limitation, all political subdivision obligations financing STAR bond project costs, have been paid, any surplus funds then remaining in the STAR Bonds Tax Allocation Fund shall be distributed to the treasurer of the political subdivision for deposit into the political subdivision's general corporate fund. Upon payment of all STAR bond project costs and retirement of obligations, but in no event later than the maximum maturity date of the last of the STAR bonds issued in the STAR bond district, the political subdivision shall adopt an ordinance immediately rescinding the taxes imposed pursuant to this Section and file a certified copy of the ordinance with the Department in the form and manner as described in this Section.

(Source: P.A. 99-143, eff. 7-27-15; 100-1171, eff. 1-4-19.)

Section 15-40. The Counties Code is amended by changing Sections 5-1006, 5-1006.5, 5-1006.7, 5-1007, 5-1008.5, 5-1009, and 5-1035.1 and by adding Section 5-1184 as follows:

(55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

Sec. 5-1006. Home Rule County Retailers' Occupation Tax Law. Any county that is a home rule unit may impose a tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from such sales made in the course of their business. If imposed, this tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county. The changes made to this Section by this amendatory Act of the 101st General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule county pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all

taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule county pursuant to this Section unless the county also imposes a tax at the same rate pursuant to Section 5-1007.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the home rule county retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule County Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named counties, the counties to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, and not including any amount which the Department determines is necessary to offset any amounts which were payable to a different taxing body but were erroneously paid to the county, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in March of each year to each county that received more than \$500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding

calendar year. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease such amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

This Section shall be known and may be cited as the Home Rule County Retailers' Occupation Tax Law. (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

(55 ILCS 5/5-1006.5)

Sec. 5-1006.5. Special County Retailers' Occupation Tax For Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation.

(a) The county board of any county may impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of business to provide revenue to be used exclusively for public safety, public facility, mental health, substance abuse, or transportation purposes in that county (except as otherwise provided in this Section), if a proposition for the tax has been submitted to the electors of that county and approved by a majority of those voting on the question. If imposed, this tax shall be imposed only in one-quarter percent increments. By resolution, the county board may order the proposition to be submitted at any election. If the tax is imposed for transportation purposes for expenditures for public highways or as authorized under the Illinois Highway Code, the county board must publish notice of the existence of its long-range highway transportation plan as required or described in Section 5-301 of the Illinois Highway Code and must make the plan publicly available prior to approval of the ordinance or resolution imposing the tax. If the tax is imposed for transportation purposes for expenditures for passenger rail transportation, the county board must publish notice of the existence of its long-range passenger rail transportation plan and must make the plan publicly available prior to approval of the ordinance or resolution imposing the tax.

If a tax is imposed for public facilities purposes, then the name of the project may be included in the proposition at the discretion of the county board as determined in the enabling resolution. For example, the "XXX Nursing Home" or the "YYY Museum".

The county clerk shall certify the question to the proper election authority, who shall submit the proposition at an election in accordance with the general election law.

(1) The proposition for public safety purposes shall be in substantially the following

[June 2, 2019]

form:

"To pay for public safety purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public safety purposes shall be in substantially the following form:

"To pay for public safety purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For the purposes of the paragraph, "public safety purposes" means crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services.

Votes shall be recorded as "Yes" or "No".

Beginning on the January 1 or July 1, whichever is first, that occurs not less than 30 days after May 31, 2015 (the effective date of Public Act 99-4), Adams County may impose a public safety retailers' occupation tax and service occupation tax at the rate of 0.25%, as provided in the referendum approved by the voters on April 7, 2015, notwithstanding the omission of the additional information that is otherwise required to be printed on the ballot below the question pursuant to this item (1).

(2) The proposition for transportation purposes shall be in substantially the following form:

"To pay for improvements to roads and other transportation purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for transportation purposes shall be in substantially the following form:

"To pay for road improvements and other transportation purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For the purposes of this paragraph, transportation purposes means construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation.

The votes shall be recorded as "Yes" or "No".

(3) The proposition for public facilities purposes shall be in substantially the following form:

"To pay for public facilities purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the

additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public facilities purposes shall be in substantially the following form:

"To pay for public facilities purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

For purposes of this Section, "public facilities purposes" means the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the public facilities, for use by the county for the furnishing of governmental services to its citizens, including but not limited to museums and nursing homes.

The votes shall be recorded as "Yes" or "No".

(4) The proposition for mental health purposes shall be in substantially the following form:

"To pay for mental health purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public facilities purposes shall be in substantially the following form:

"To pay for mental health purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

The votes shall be recorded as "Yes" or "No".

(5) The proposition for substance abuse purposes shall be in substantially the following form:

"To pay for substance abuse purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales tax for every \$100 of tangible personal property bought at retail."

The county board may also opt to establish a sunset provision at which time the additional sales tax would cease being collected, if not terminated earlier by a vote of the county board. If the county board votes to include a sunset provision, the proposition for public facilities purposes shall be in substantially the following form:

"To pay for substance abuse purposes, shall (name of county) be authorized to impose an increase on its share of local sales taxes by (insert rate) for a period not to exceed (insert number of years)?"

As additional information on the ballot below the question shall appear the following:

"This would mean that a consumer would pay an additional (insert amount) in sales

tax for every \$100 of tangible personal property bought at retail. If imposed, the additional tax would cease being collected at the end of (insert number of years), if not terminated earlier by a vote of the county board."

The votes shall be recorded as "Yes" or "No".

If a majority of the electors voting on the proposition vote in favor of it, the county may impose the tax. A county may not submit more than one proposition authorized by this Section to the electors at any one time.

This additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county. The tax imposed by a county under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Illinois Department of Revenue and deposited into a special fund created for that purpose. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section. The Department has full power to administer and enforce this Section, to collect all taxes and penalties due under this Section, to dispose of taxes and penalties so collected in the manner provided in this Section, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this Section. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a, 2b, 2c, 3 (except provisions relating to transaction returns and quarter monthly payments, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as if those provisions were set forth in this Section.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their sellers' tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracketed schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Retailers' Occupation Tax Fund.

(b) If a tax has been imposed under subsection (a), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service. This tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this subsection, the Department and persons who are subject to this paragraph shall (i) have the same

rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the county), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be to the county), 9 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the county), Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Retailers' Occupation Fund.

Nothing in this subsection shall be construed to authorize the county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(c) Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the County Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Retailers' Occupation Tax Fund, which shall be an unappropriated trust fund held outside of the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the counties from which retailers have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each county, and deposited by the county into its special fund created for the purposes of this Section, shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including (i) an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county, (ii) any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county, (iii) any amounts that are transferred to the STAR Bonds Revenue Fund, and (iv) 1.5% of the remainder, which shall be transferred into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in March of each year to each county that received more than \$500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

A county may direct, by ordinance, that all or a portion of the taxes and penalties collected under the Special County Retailers' Occupation Tax For Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation be deposited into the Transportation Development Partnership Trust Fund.

(d) For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(e) Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(e-5) If a county imposes a tax under this Section, the county board may, by ordinance, discontinue or lower the rate of the tax. If the county board lowers the tax rate or discontinues the tax, a referendum must be held in accordance with subsection (a) of this Section in order to increase the rate of the tax or to reimpose the discontinued tax.

(f) Beginning April 1, 1998 and through December 31, 2013, the results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax, or any ordinance lowering the rate or discontinuing the tax, shall be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the filing.

Beginning January 1, 2014, the results of any election authorizing a proposition to impose a tax under this Section or effecting an increase in the rate of tax, along with the ordinance adopted to impose the tax or increase the rate of the tax, or any ordinance adopted to lower the rate or discontinue the tax, shall be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of May, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the adoption and filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the adoption and filing.

(g) When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a miscalculation is discovered.

(h) This Section may be cited as the "Special County Occupation Tax For Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Law".

(i) For purposes of this Section, "public safety" includes, but is not limited to, crime prevention, detention, fire fighting, police, medical, ambulance, or other emergency services. The county may share tax proceeds received under this Section for public safety purposes, including proceeds received before August 4, 2009 (the effective date of Public Act 96-124), with any fire protection district located in the county. For the purposes of this Section, "transportation" includes, but is not limited to, the construction, maintenance, operation, and improvement of public highways, any other purpose for which a county may expend funds under the Illinois Highway Code, and passenger rail transportation. For the purposes of this Section, "public facilities purposes" includes, but is not limited to, the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the public facilities, for use by the county for the furnishing of governmental services to its citizens, including but not limited to museums and nursing homes.

(j) The Department may promulgate rules to implement Public Act 95-1002 only to the extent necessary to apply the existing rules for the Special County Retailers' Occupation Tax for Public Safety to this new purpose for public facilities.

(Source: P.A. 99-4, eff. 5-31-15; 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1167, eff. 1-4-19; 100-1171, eff. 1-4-19; revised 1-9-19.)

(55 ILCS 5/5-1006.7)

Sec. 5-1006.7. School facility occupation taxes.

(a) In any county, a tax shall be imposed upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made in the course of business to provide revenue to be used exclusively for school facility purposes (except as otherwise provided in this Section) if a proposition for the tax has been submitted to the electors of that county and approved by a majority of those voting on the question as provided in subsection (c). The tax under this Section shall be imposed only in one-quarter percent increments and may not exceed 1%.

This additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county. The Department of Revenue has full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this subsection. The Department shall deposit all taxes and penalties collected under this subsection into a special fund created for that purpose.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) shall employ the same modes of procedure as are set forth in Sections 1 through 1o, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act as if those provisions were set forth in this subsection.

The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act permits the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this subsection.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their seller's tax liability by separately stating that tax as an additional charge, which may be stated in combination, in a single amount, with State tax that sellers are required to collect under the Use Tax Act, pursuant to any bracketed schedules set forth by the Department.

(b) If a tax has been imposed under subsection (a), then a service occupation tax must also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service.

This tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department and deposited into a special fund created for that purpose. The Department has full power to administer and enforce this subsection, to collect all taxes and

penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this subsection.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection shall (i) have the same rights, remedies, privileges, immunities, powers and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties and definition of terms, and (iii) employ the same modes of procedure as are set forth in Sections 2 (except that that reference to State in the definition of supplier maintaining a place of business in this State means the county), 2a through 2d, 3 through 3-50 (in respect to all provisions contained in those Sections other than the State rate of tax), 4 (except that the reference to the State shall be to the county), 5, 7, 8 (except that the jurisdiction to which the tax is a debt to the extent indicated in that Section 8 is the county), 9 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State means the county), Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, pursuant to any bracketed schedules set forth by the Department.

(c) The tax under this Section may not be imposed until the question of imposing the tax has been submitted to the electors of the county at a regular election and approved by a majority of the electors voting on the question. For all regular elections held prior to August 23, 2011 (the effective date of Public Act 97-542), upon a resolution by the county board or a resolution by school district boards that represent at least 51% of the student enrollment within the county, the county board must certify the question to the proper election authority in accordance with the Election Code.

For all regular elections held prior to August 23, 2011 (the effective date of Public Act 97-542), the election authority must submit the question in substantially the following form:

Shall (name of county) be authorized to impose a retailers' occupation tax and a service occupation tax (commonly referred to as a "sales tax") at a rate of (insert rate) to be used exclusively for school facility purposes?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then the county may, thereafter, impose the tax.

For all regular elections held on or after August 23, 2011 (the effective date of Public Act 97-542), the regional superintendent of schools for the county must, upon receipt of a resolution or resolutions of school district boards that represent more than 50% of the student enrollment within the county, certify the question to the proper election authority for submission to the electors of the county at the next regular election at which the question lawfully may be submitted to the electors, all in accordance with the Election Code.

For all regular elections held on or after August 23, 2011 (the effective date of Public Act 97-542), the election authority must submit the question in substantially the following form:

Shall a retailers' occupation tax and a service occupation tax (commonly referred to as a "sales tax") be imposed in (name of county) at a rate of (insert rate) to be used exclusively for school facility purposes?

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, then the tax shall be imposed at the rate set forth in the question.

For the purposes of this subsection (c), "enrollment" means the head count of the students residing in the county on the last school day of September of each year, which must be reported on the Illinois State Board of Education Public School Fall Enrollment/Housing Report.

(d) Except as otherwise provided, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the School Facility Occupation Tax Fund, which shall be an unappropriated trust fund held outside the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government

Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the regional superintendents of schools in counties from which retailers or servicemen have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each regional superintendent of schools and disbursed to him or her in accordance with Section 3-14.31 of the School Code, is equal to the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected from the county under this Section during the second preceding calendar month by the Department, (i) less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2019), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this Section, on behalf of the county, (ii) plus an amount that the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body; (iii) less an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; and (iv) less any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county. When certifying the amount of a monthly disbursement to a regional superintendent of schools under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements within the previous 6 months from the time a miscalculation is discovered.

Within 10 days after receipt by the Comptroller from the Department of the disbursement certification to the regional superintendents of the schools provided for in this Section, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

If the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, then the Department shall notify the Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the Treasurer out of the School Facility Occupation Tax Fund.

(e) For the purposes of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This subsection does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(f) Nothing in this Section may be construed to authorize a tax to be imposed upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(g) If a county board imposes a tax under this Section pursuant to a referendum held before August 23, 2011 (the effective date of Public Act 97-542) at a rate below the rate set forth in the question approved by a majority of electors of that county voting on the question as provided in subsection (c), then the county board may, by ordinance, increase the rate of the tax up to the rate set forth in the question approved by a majority of electors of that county voting on the question as provided in subsection (c). If a county board imposes a tax under this Section pursuant to a referendum held before August 23, 2011 (the effective date of Public Act 97-542), then the board may, by ordinance, discontinue or reduce the rate of the tax. If a tax is imposed under this Section pursuant to a referendum held on or after August 23, 2011 (the effective date of Public Act 97-542), then the county board may reduce or discontinue the tax, but only in accordance with subsection (h-5) of this Section. If, however, a school board issues bonds that are secured by the proceeds of the tax under this Section, then the county board may not reduce the tax rate or discontinue the tax if that rate reduction or discontinuance would adversely affect the school board's ability to pay the principal and interest on those bonds as they become due or necessitate the extension of additional property taxes to pay the principal and interest on those bonds. If the county board reduces the tax rate or discontinues the tax, then a referendum must be held in accordance with subsection (c) of this Section in order to increase the rate of the tax or to reimpose the discontinued tax.

Until January 1, 2014, the results of any election that imposes, reduces, or discontinues a tax under this Section must be certified by the election authority, and any ordinance that increases or lowers the rate or discontinues the tax must be certified by the county clerk and, in each case, filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

Beginning January 1, 2014, the results of any election that imposes, reduces, or discontinues a tax under this Section must be certified by the election authority, and any ordinance that increases or lowers the rate or discontinues the tax must be certified by the county clerk and, in each case, filed with the Illinois Department of Revenue either (i) on or before the first day of May, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

(h) For purposes of this Section, "school facility purposes" means (i) the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and for the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the capital facilities and (ii) the payment of bonds or other obligations heretofore or hereafter issued, including bonds or other obligations heretofore or hereafter issued to refund or to continue to refund bonds or other obligations issued, for school facility purposes, provided that the taxes levied to pay those bonds are abated by the amount of the taxes imposed under this Section that are used to pay those bonds. "School-facility purposes" also includes fire prevention, safety, energy conservation, accessibility, school security, and specified repair purposes set forth under Section 17-2.11 of the School Code.

(h-5) A county board in a county where a tax has been imposed under this Section pursuant to a referendum held on or after August 23, 2011 (the effective date of Public Act 97-542) may, by ordinance or resolution, submit to the voters of the county the question of reducing or discontinuing the tax. In the ordinance or resolution, the county board shall certify the question to the proper election authority in accordance with the Election Code. The election authority must submit the question in substantially the following form:

Shall the school facility retailers' occupation tax and service occupation tax (commonly referred to as the "school facility sales tax") currently imposed in (name of county) at a rate of (insert rate) be (reduced to (insert rate))(discontinued)?

If a majority of the electors voting on the question vote in the affirmative, then, subject to the provisions of subsection (g) of this Section, the tax shall be reduced or discontinued as set forth in the question.

(i) This Section does not apply to Cook County.

(j) This Section may be cited as the County School Facility Occupation Tax Law.

(Source: P.A. 99-143, eff. 7-27-15; 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-1171, eff. 1-4-19.)

(55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

Sec. 5-1007. Home Rule County Service Occupation Tax Law. The corporate authorities of a home rule county may impose a tax upon all persons engaged, in such county, in the business of making sales of service at the same rate of tax imposed pursuant to Section 5-1006 of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. If imposed, such tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county. The changes made to this Section by this amendatory Act of the 101st General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule county pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges,

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immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing county), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing county), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this county tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing county), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule county pursuant to this Section unless such county also imposes a tax at the same rate pursuant to Section 5-1006.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their serviceman's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the home rule county retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio ex-officio, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule County Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named counties, the counties to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in each year to each county which received more than \$500,000 in disbursements under the preceding paragraph in the preceding calendar year. The allocation shall be in an amount equal to the average monthly distribution made to each such county under the preceding paragraph during the preceding calendar year (excluding the 2 months of highest receipts). The distribution made in March of each year subsequent to the year in which an allocation was made pursuant to this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The

Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

This Section shall be known and may be cited as the Home Rule County Service Occupation Tax Law. (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-9-19.) (55 ILCS 5/5-1008.5)

Sec. 5-1008.5. Use and occupation taxes.

(a) The Rock Island County Board may adopt a resolution that authorizes a referendum on the question of whether the county shall be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax at a rate of 1/4 of 1% on behalf of the economic development activities of Rock Island County and communities located within the county. The county board shall certify the question to the proper election authorities who shall submit the question to the voters of the county at the next regularly scheduled election in accordance with the general election law. The question shall be in substantially the following form:

Shall Rock Island County be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax at the rate of 1/4 of 1% for the sole purpose of economic development activities, including creation and retention of job opportunities, support of affordable housing opportunities, and enhancement of quality of life improvements?

Votes shall be recorded as "yes" or "no". If a majority of all votes cast on the proposition are in favor of the proposition, the county is authorized to impose the tax.

(b) The county shall impose the retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail in the county, at the rate approved by referendum, on the gross receipts from the sales made in the course of those businesses within the county. This additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county. The tax imposed under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner provided in this Section; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this Section. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i,

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1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions other than the State rate of tax), 2-15 through 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and penalties collected and provisions related to quarter monthly payments, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this subsection may reimburse themselves for their seller's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect, in accordance with bracket schedules prescribed by the Department.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

If a tax is imposed under this subsection (b), a tax shall also be imposed at the same rate under subsections (c) and (d) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale, by a producer of coal or another mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize the county to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service. This additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the county does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The county must comply with the certification requirements for airport-related purposes under Section 5-1184. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 62-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county. The tax imposed under this subsection and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this paragraph; to collect all taxes and penalties due under this Section; to dispose of taxes and penalties so collected in the manner provided in this Section; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this Section. In the administration of, and compliance with this paragraph, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the county), 2a, 2b, 3 through 3-55 (in respect to all provisions other than the State rate of tax), 4 (except that the reference to the State shall be to the county), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the county), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 11, 12 (except the reference to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the county), 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with bracket schedules prescribed by the Department.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

Nothing in this paragraph shall be construed to authorize the county to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a use tax shall also be imposed at the same rate upon the privilege of using, in the county, any item of tangible personal property that is purchased outside the county at retail from a retailer, and that is titled or registered at a location within the county with an agency of this State's government. "Selling price" is defined as in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the county. The tax shall be collected by the Department of Revenue for the county. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department has full power to administer and enforce this paragraph; to collect all taxes, penalties, and interest due under this Section; to dispose of taxes, penalties, and interest so collected in the manner provided in this Section; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty, or interest under this Section. In the administration of, and compliance with, this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a, 4, 6, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the county), 9 (except provisions relating to quarter monthly payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, that are not inconsistent with this paragraph, as fully as if those provisions were set forth in this subsection.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (c), or (d) of this Section and no additional registration shall be required. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(f) The results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax shall be certified by the proper election authorities and filed with the Illinois Department on or before the first day of October. In addition, an ordinance imposing, discontinuing, or effecting a change in the rate of tax under this Section shall be adopted and a certified copy of the ordinance filed with the Department on or before the first day of October. After proper receipt of the certifications, the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

(g) Except as otherwise provided in paragraph (g-2), the The Department of Revenue shall, upon collecting any taxes and penalties as provided in this Section, pay the taxes and penalties over to the State Treasurer as trustee for the county. The taxes and penalties shall be held in a trust fund outside the State Treasury. On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the county, which shall be the balance in the fund, less any amount determined by the Department to be necessary for the payment of refunds. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the county, the Comptroller shall cause an order to be drawn for payment for the amount in accordance with the directions contained in the certification. Amounts received from the tax imposed under this

Section shall be used only for the economic development activities of the county and communities located within the county.

(g-2) Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

(h) When certifying the amount of a monthly disbursement to the county under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a miscalculation is discovered.

(i) This Section may be cited as the Rock Island County Use and Occupation Tax Law.

(Source: P.A. 100-1171, eff. 1-4-19.)

(55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

Sec. 5-1009. Limitation on home rule powers. Except as provided in Sections 5-1006, 5-1006.5, 5-1007 and 5-1008, on and after September 1, 1990, no home rule county has the authority to impose, pursuant to its home rule authority, a retailer's occupation tax, service occupation tax, use tax, sales tax or other tax on the use, sale or purchase of tangible personal property based on the gross receipts from such sales or the selling or purchase price of said tangible personal property. Notwithstanding the foregoing, this Section does not preempt any home rule imposed tax such as the following: (1) a tax on alcoholic beverages, whether based on gross receipts, volume sold or any other measurement; (2) a tax based on the number of units of cigarettes or tobacco products; (3) a tax, however measured, based on the use of a hotel or motel room or similar facility; (4) a tax, however measured, on the sale or transfer of real property; (5) a tax, however measured, on lease receipts; (6) a tax on food prepared for immediate consumption and on alcoholic beverages sold by a business which provides for on premise consumption of said food or alcoholic beverages; or (7) other taxes not based on the selling or purchase price or gross receipts from the use, sale or purchase of tangible personal property. This Section does not preempt a home rule county from imposing a tax, however measured, on the use, for consideration, of a parking lot, garage, or other parking facility.

On and after December 1, 2019, no home rule county has the authority to impose, pursuant to its home rule authority, a tax, however measured, on sales of aviation fuel, as defined in Section 3 of the Retailers' Occupation Tax Act, unless the tax revenue is expended for airport-related purposes. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Aviation fuel shall be excluded from tax only for so long as the revenue use requirements of 49 U.S.C. 47017(b) and 49 U.S.C. 47133 are binding on the county.

This Section is a limitation, pursuant to subsection (g) of Section 6 of Article VII of the Illinois Constitution, on the power of home rule units to tax. The changes made to this Section by this amendatory Act of the 101st General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

(Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

(55 ILCS 5/5-1035.1) (from Ch. 34, par. 5-1035.1)

Sec. 5-1035.1. County Motor Fuel Tax Law. The county board of the counties of DuPage, Kane and McHenry may, by an ordinance or resolution adopted by an affirmative vote of a majority of the members elected or appointed to the county board, impose a tax upon all persons engaged in the county in the business of selling motor fuel, as now or hereafter defined in the Motor Fuel Tax Law, at retail for the operation of motor vehicles upon public highways or for the operation of recreational watercraft upon waterways. The collection of a tax under this Section based on gallonage of gasoline used for the propulsion of any aircraft is prohibited, and the collection of a tax based on gallonage of special fuel used for the propulsion of any aircraft is prohibited on and after December 1, 2019. Kane County may exempt diesel fuel from the tax imposed pursuant to this Section. The tax may be imposed, in half-cent increments, at a rate not exceeding 4 cents per gallon of motor fuel sold at retail within the county for the purpose of use or consumption and not for the purpose of resale. The proceeds from the tax shall be used by the county solely for the purpose of operating, constructing and improving public highways and waterways, and acquiring real property and right-of-ways for public highways and waterways within the county imposing the tax.

A tax imposed pursuant to this Section, and all civil penalties that may be assessed as an incident thereof, shall be administered, collected and enforced by the Illinois Department of Revenue in the same manner as the tax imposed under the Retailers' Occupation Tax Act, as now or hereafter amended, insofar as may be practicable; except that in the event of a conflict with the provisions of this Section, this Section shall

control. The Department of Revenue shall have full power: to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

Whenever the Department determines that a refund shall be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Option Motor Fuel Tax Fund.

The Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes and penalties collected hereunder, which shall be deposited into the County Option Motor Fuel Tax Fund, a special fund in the State Treasury which is hereby created. On or before the 25th day of each calendar month, the Department shall prepare and certify to the State Comptroller the disbursement of stated sums of money to named counties for which taxpayers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda) collected hereunder from retailers within the county during the second preceding calendar month by the Department, but not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; less 2% of the balance, which sum shall be retained by the State Treasurer to cover the costs incurred by the Department in administering and enforcing the provisions of this Section. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the Comptroller the amount so retained by the State Treasurer, which shall be transferred into the Tax Compliance and Administration Fund.

A county may direct, by ordinance, that all or a portion of the taxes and penalties collected under the County Option Motor Fuel Tax shall be deposited into the Transportation Development Partnership Trust Fund.

Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing a tax hereunder or effecting a change in the rate thereof shall be effective on the first day of the second calendar month next following the month in which the ordinance or resolution is adopted and a certified copy thereof is filed with the Department of Revenue, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the county as of the effective date of the ordinance or resolution. Upon a change in rate of a tax levied hereunder, or upon the discontinuance of the tax, the county board of the county shall, on or not later than 5 days after the effective date of the ordinance or resolution discontinuing the tax or effecting a change in rate, transmit to the Department of Revenue a certified copy of the ordinance or resolution effecting the change or discontinuance.

This Section shall be known and may be cited as the County Motor Fuel Tax Law.
(Source: P.A. 98-1049, eff. 8-25-14.)

(55 ILCS 5/5-1184 new)

Sec. 5-1184. Certification for airport-related purposes. On or before September, 1 2019, and on or before each April 1 and October 1 thereafter, each county must certify to the Illinois Department of Transportation, in the form and manner required by the Department, whether the county has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the county to include tax on aviation fuel. On or before October 1, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the units of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Illinois Department of Transportation.

Section 15-45. The Illinois Municipal Code is amended by changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6, 8-11-1.7, 8-11-5, 8-11-6a, and 11-74.3-6 and by adding Sections 8-11-22 and 11-101-3 as follows:

(65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax Act. The corporate authorities of a home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal

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property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the municipality on the gross receipts from these sales made in the course of such business. If imposed, the tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality. The changes made to this Section by this amendatory Act of the 101st General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule municipality under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the State Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-5 of this Act.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the home rule municipal retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and

penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

In addition to the disbursement required by the preceding paragraph and in order to mitigate delays caused by distribution procedures, an allocation shall, if requested, be made within 10 days after January 14, 1991, and in November of 1991 and each year thereafter, to each municipality that received more than \$500,000 during the preceding fiscal year, (July 1 through June 30) whether collected by the municipality or disbursed by the Department as required by this Section. Within 10 days after January 14, 1991, participating municipalities shall notify the Department in writing of their intent to participate. In addition, for the initial distribution, participating municipalities shall certify to the Department the amounts collected by the municipality for each month under its home rule occupation and service occupation tax during the period July 1, 1989 through June 30, 1990. The allocation within 10 days after January 14, 1991, shall be in an amount equal to the monthly average of these amounts, excluding the 2 months of highest receipts. The monthly average for the period of July 1, 1990 through June 30, 1991 will be determined as follows: the amounts collected by the municipality under its home rule occupation and service occupation tax during the period of July 1, 1990 through September 30, 1990, plus amounts collected by the Department and paid to such municipality through June 30, 1991, excluding the 2 months of highest receipts. The monthly average for each subsequent period of July 1 through June 30 shall be an amount equal to the monthly distribution made to each such municipality under the preceding paragraph during this period, excluding the 2 months of highest receipts. The distribution made in November 1991 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding period of July 1 through June 30. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following the adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing. However, a municipality located in a county with a population in excess of 3,000,000 that elected to become a home rule unit at the general primary election in 1994 may adopt an ordinance or resolution imposing the tax under this Section and file a certified copy of the ordinance or resolution with the Department on or before July 1, 1994. The Department shall then proceed to administer and enforce

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this Section as of October 1, 1994. Beginning April 1, 1998, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Any unobligated balance remaining in the Municipal Retailers' Occupation Tax Fund on December 31, 1989, which fund was abolished by Public Act 85-1135, and all receipts of municipal tax as a result of audits of liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund for distribution as provided by this Section prior to the enactment of Public Act 85-1135. All receipts of municipal tax as a result of an assessment not arising from an audit, for liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund for distribution before July 1, 1990, as provided by this Section prior to the enactment of Public Act 85-1135; and on and after July 1, 1990, all such receipts shall be distributed as provided in Section 6z-18 of the State Finance Act.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town that has superseded a civil township.

This Section shall be known and may be cited as the Home Rule Municipal Retailers' Occupation Tax Act.

(Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

(65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

Sec. 8-11-1.3. Non-Home Rule Municipal Retailers' Occupation Tax Act. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal property, other than on an item of tangible personal property which is titled and registered by an agency of this State's Government, at retail in the municipality for expenditure on public infrastructure or for property tax relief or both as defined in Section 8-11-1.2 if approved by referendum as provided in Section 8-11-1.1, of the gross receipts from such sales made in the course of such business. If the tax is approved by referendum on or after July 14, 2010 (the effective date of Public Act 96-1057), the corporate authorities of a non-home rule municipality may, until December 31, 2020, use the proceeds of the tax for expenditure on municipal operations, in addition to or in lieu of any expenditure on public infrastructure or for property tax relief. The tax imposed may not be more than 1% and may be imposed only in 1/4% increments. The tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit such retailer to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government

Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth herein.

No municipality may impose a tax under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.4 of this Code.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the non-home rule municipal retailers' occupation tax fund.

Except as otherwise provided, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Non-Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts which were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount which the Department determines is necessary to offset any amounts which were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease such amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

[June 2, 2019]

The Department of Revenue shall implement Public Act 91-649 ~~this amendatory Act of the 91st General Assembly~~ so as to collect the tax on and after January 1, 2002.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the "Non-Home Rule Municipal Retailers' Occupation Tax Act".

(Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

(65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation Tax Act. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged, in such municipality, in the business of making sales of service for expenditure on public infrastructure or for property tax relief or both as defined in Section 8-11-1.2 if approved by referendum as provided in Section 8-11-1.1, of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. If the tax is approved by referendum on or after July 14, 2010 (the effective date of Public Act 96-1057), the corporate authorities of a non-home rule municipality may, until December 31, 2020, use the proceeds of the tax for expenditure on municipal operations, in addition to or in lieu of any expenditure on public infrastructure or for property tax relief. The tax imposed may not be more than 1% and may be imposed only in 1/4% increments. The tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing municipality), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No municipality may impose a tax under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.3 of this Code.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their serviceman's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause

the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the municipal retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the municipal retailers' occupation tax fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities, the General Revenue Fund, and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

The Department of Revenue shall implement Public Act 91-649 this amendatory Act of the 91st General Assembly so as to collect the tax on and after January 1, 2002.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

As used in this Section, "municipal" or "municipality" means or refers to a city, village or incorporated town, including an incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the "Non-Home Rule Municipal Service Occupation Tax Act".

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-9-19.)
(65 ILCS 5/8-11-1.6)

Sec. 8-11-1.6. Non-home rule municipal retailers' occupation tax; municipalities between 20,000 and 25,000. The corporate authorities of a non-home rule municipality with a population of more than 20,000 but less than 25,000 that has, prior to January 1, 1987, established a Redevelopment Project Area that has been certified as a State Sales Tax Boundary and has issued bonds or otherwise incurred indebtedness to pay for costs in excess of \$5,000,000, which is secured in part by a tax increment allocation fund, in accordance with the provisions of Division 11-74.4 of this Code may, by passage of an ordinance, impose a tax upon all persons engaged in the business of selling tangible personal property, other than on an item of tangible personal property that is titled and registered by an agency of this State's Government, at retail in the municipality. This tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on

the municipality. If imposed, the tax shall only be imposed in .25% increments of the gross receipts from such sales made in the course of business. Any tax imposed by a municipality under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. An ordinance imposing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted under this Section without registering separately with the Department under the ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section, to collect all taxes and penalties due hereunder, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth herein.

A tax may not be imposed by a municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.7 of this Act.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant, instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Non-Home Rule Municipal Retailers' Occupation Tax Fund, which is hereby created.

Except as otherwise provided in this paragraph, the ~~The~~ Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Non-Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities,

[June 2, 2019]

shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

As used in this Section, "municipal" and "municipality" means a city, village, or incorporated town, including an incorporated town that has superseded a civil township.

(Source: P.A. 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

(65 ILCS 5/8-11-1.7)

Sec. 8-11-1.7. Non-home rule municipal service occupation tax; municipalities between 20,000 and 25,000. The corporate authorities of a non-home rule municipality with a population of more than 20,000 but less than 25,000 as determined by the last preceding decennial census that has, prior to January 1, 1987, established a Redevelopment Project Area that has been certified as a State Sales Tax Boundary and has issued bonds or otherwise incurred indebtedness to pay for costs in excess of \$5,000,000, which is secured in part by a tax increment allocation fund, in accordance with the provisions of Division 11-74.4 of this Code may, by passage of an ordinance, impose a tax upon all persons engaged in the municipality in the business of making sales of service. If imposed, the tax shall only be imposed in .25% increments of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. This tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality. The tax imposed by a municipality under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. An ordinance imposing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxable under any ordinance or resolution enacted under this Section without registering separately with the Department under the ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section, to collect all taxes and penalties due hereunder, to dispose of taxes and penalties so collected in a manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing

municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12, (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing municipality), the first paragraph of Sections 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

A tax may not be imposed by a municipality under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.6 of this Act.

Person subject to any tax imposed under the authority granted in this Section may reimburse themselves for their servicemen's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, under such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. The refund shall be paid by the State Treasurer out of the Non-Home Rule Municipal Retailers' Occupation Tax Fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Non-Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities, the Tax Compliance and Administration Fund, and the General Revenue Fund, provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

(65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

Sec. 8-11-5. Home Rule Municipal Service Occupation Tax Act. The corporate authorities of a home rule municipality may impose a tax upon all persons engaged, in such municipality, in the business of

making sales of service at the same rate of tax imposed pursuant to Section 8-11-1, of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. If imposed, such tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax may not be imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If a municipality does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel shall be excluded from tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State. The changes made to this Section by this amendatory Act of the 101st General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. The tax imposed by a home rule municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the taxing municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any State tax), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the taxing municipality), the first paragraph of Section 15, 16, 17 (except that credit memoranda issued hereunder may not be used to discharge any State tax liability), 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No tax may be imposed by a home rule municipality pursuant to this Section unless such municipality also imposes a tax at the same rate pursuant to Section 8-11-1 of this Act.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their serviceman's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the home rule municipal retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ~~ex officio~~ ~~ex officio~~, as trustee, all taxes and penalties collected hereunder for deposit into the Home Rule Municipal Retailers' Occupation Tax Fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ~~ex officio~~, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development

and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected hereunder during the second preceding calendar month by the Department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the municipalities, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

In addition to the disbursement required by the preceding paragraph and in order to mitigate delays caused by distribution procedures, an allocation shall, if requested, be made within 10 days after January 14, 1991, and in November of 1991 and each year thereafter, to each municipality that received more than \$500,000 during the preceding fiscal year, (July 1 through June 30) whether collected by the municipality or disbursed by the Department as required by this Section. Within 10 days after January 14, 1991, participating municipalities shall notify the Department in writing of their intent to participate. In addition, for the initial distribution, participating municipalities shall certify to the Department the amounts collected by the municipality for each month under its home rule occupation and service occupation tax during the period July 1, 1989 through June 30, 1990. The allocation within 10 days after January 14, 1991, shall be in an amount equal to the monthly average of these amounts, excluding the 2 months of highest receipts. Monthly average for the period of July 1, 1990 through June 30, 1991 will be determined as follows: the amounts collected by the municipality under its home rule occupation and service occupation tax during the period of July 1, 1990 through September 30, 1990, plus amounts collected by the Department and paid to such municipality through June 30, 1991, excluding the 2 months of highest receipts. The monthly average for each subsequent period of July 1 through June 30 shall be an amount equal to the monthly distribution made to each such municipality under the preceding paragraph during this period, excluding the 2 months of highest receipts. The distribution made in November 1991 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding period of July 1 through June 30. The Department shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing. However, a municipality located in a county with a population in excess of 3,000,000 that elected to become a home rule unit at the general primary election in 1994 may adopt an ordinance or resolution imposing the tax under this Section and file a certified copy of the ordinance or resolution with the Department on or before July 1, 1994. The Department shall then proceed to administer and enforce this Section as of October 1, 1994. Beginning April 1, 1998, an ordinance or resolution imposing or

discontinuing the tax hereunder or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing.

Any unobligated balance remaining in the Municipal Retailers' Occupation Tax Fund on December 31, 1989, which fund was abolished by Public Act 85-1135, and all receipts of municipal tax as a result of audits of liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund, for distribution as provided by this Section prior to the enactment of Public Act 85-1135. All receipts of municipal tax as a result of an assessment not arising from an audit, for liability periods prior to January 1, 1990, shall be paid into the Local Government Tax Fund for distribution before July 1, 1990, as provided by this Section prior to the enactment of Public Act 85-1135, and on and after July 1, 1990, all such receipts shall be distributed as provided in Section 6z-18 of the State Finance Act.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the Home Rule Municipal Service Occupation Tax Act.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-9-19.)

(65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

Sec. 8-11-6a. Home rule municipalities; preemption of certain taxes. Except as provided in Sections 8-11-1, 8-11-5, 8-11-6, 8-11-6b, 8-11-6c, and 11-74.3-6 on and after September 1, 1990, no home rule municipality has the authority to impose, pursuant to its home rule authority, a retailer's occupation tax, service occupation tax, use tax, sales tax or other tax on the use, sale or purchase of tangible personal property based on the gross receipts from such sales or the selling or purchase price of said tangible personal property. Notwithstanding the foregoing, this Section does not preempt any home rule imposed tax such as the following: (1) a tax on alcoholic beverages, whether based on gross receipts, volume sold or any other measurement; (2) a tax based on the number of units of cigarettes or tobacco products (provided, however, that a home rule municipality that has not imposed a tax based on the number of units of cigarettes or tobacco products before July 1, 1993, shall not impose such a tax after that date); (3) a tax, however measured, based on the use of a hotel or motel room or similar facility; (4) a tax, however measured, on the sale or transfer of real property; (5) a tax, however measured, on lease receipts; (6) a tax on food prepared for immediate consumption and on alcoholic beverages sold by a business which provides for on premise consumption of said food or alcoholic beverages; or (7) other taxes not based on the selling or purchase price or gross receipts from the use, sale or purchase of tangible personal property. This Section does not preempt a home rule municipality with a population of more than 2,000,000 from imposing a tax, however measured, on the use, for consideration, of a parking lot, garage, or other parking facility. This Section is not intended to affect any existing tax on food and beverages prepared for immediate consumption on the premises where the sale occurs, or any existing tax on alcoholic beverages, or any existing tax imposed on the charge for renting a hotel or motel room, which was in effect January 15, 1988, or any extension of the effective date of such an existing tax by ordinance of the municipality imposing the tax, which extension is hereby authorized, in any non-home rule municipality in which the imposition of such a tax has been upheld by judicial determination, nor is this Section intended to preempt the authority granted by Public Act 85-1006. On and after December 1, 2019, no home rule municipality has the authority to impose, pursuant to its home rule authority, a tax, however measured, on sales of aviation fuel, as defined in Section 3 of the Retailers' Occupation Tax Act, unless the tax is not subject to the revenue use requirements of 49 U.S.C. 47017(b) and 49 U.S.C. 47133, or unless the tax revenue is expended for airport-related purposes. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Aviation fuel shall be excluded from tax only if, and for so long as, the revenue use requirements of 49 U.S.C. 47017(b) and 49 U.S.C. 47133 are binding on the municipality. This Section is a limitation, pursuant to subsection (g) of Section 6 of Article VII of the Illinois Constitution, on the power of home rule units to tax. The changes made to this Section by this amendatory Act of the 101st General Assembly are a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution.

(Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

(65 ILCS 5/8-11-22 new)

Sec. 8-11-22. Certification for airport-related purposes. On or before September 1, 2019, and on or before each April 1 and October 1 thereafter, each municipality (and District in the case of business district operating within a municipality) must certify to the Department of Transportation, in the form and manner

required by the Department, whether the municipality has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the municipality to include tax on aviation fuel. On or before October 1, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

(65 ILCS 5/11-74.3-6)

Sec. 11-74.3-6. Business district revenue and obligations; business district tax allocation fund.

(a) If the corporate authorities of a municipality have approved a business district plan, have designated a business district, and have elected to impose a tax by ordinance pursuant to subsection (10) or (11) of Section 11-74.3-3, then each year after the date of the approval of the ordinance but terminating upon the date all business district project costs and all obligations paying or reimbursing business district project costs, if any, have been paid, but in no event later than the dissolution date, all amounts generated by the retailers' occupation tax and service occupation tax shall be collected and the tax shall be enforced by the Department of Revenue in the same manner as all retailers' occupation taxes and service occupation taxes imposed in the municipality imposing the tax and all amounts generated by the hotel operators' occupation tax shall be collected and the tax shall be enforced by the municipality in the same manner as all hotel operators' occupation taxes imposed in the municipality imposing the tax. The corporate authorities of the municipality shall deposit the proceeds of the taxes imposed under subsections (10) and (11) of Section 11-74.3-3 into a special fund of the municipality called the "[Name of] Business District Tax Allocation Fund" for the purpose of paying or reimbursing business district project costs and obligations incurred in the payment of those costs.

(b) The corporate authorities of a municipality that has designated a business district under this Law may, by ordinance, impose a Business District Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the business district at a rate not to exceed 1% of the gross receipts from the sales made in the course of such business, to be imposed only in 0.25% increments. The tax may not be imposed on tangible personal property taxed at the rate of 1% under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection; to collect all taxes and penalties due under this subsection in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with, this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a through 1o, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under this subsection may reimburse themselves for their seller's tax liability under this subsection by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

[June 2, 2019]

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the business district retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes, penalties, and interest collected under this subsection for deposit into the business district retailers' occupation tax fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this subsection during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities from the business district retailers' occupation tax fund, the municipalities to be those from which retailers have paid taxes or penalties under this subsection to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this subsection during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2019), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this subsection, on behalf of such municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities provided for in this subsection to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification. The proceeds of the tax paid to municipalities under this subsection shall be deposited into the Business District Tax Allocation Fund by the municipality.

An ordinance imposing or discontinuing the tax under this subsection or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department, if all other requirements of this subsection are met, shall proceed to administer and enforce this subsection as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon, if all other requirements of this subsection are met, the Department shall proceed to administer and enforce this subsection as of the first day of January next following the adoption and filing.

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of the tax under this subsection, until the municipality also provides, in the manner prescribed by the Department, the boundaries of the business district and each address in the business district in such a way that the Department can determine by its address whether a business is located in the business district. The municipality must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a business district or address change, addition, or deletion until the municipality reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The municipality must provide this boundary change information or address change, addition, or deletion to the Department

on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change beginning on the following January 1. The retailers in the business district shall be responsible for charging the tax imposed under this subsection. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this subsection, both the Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the municipality.

A municipality that imposes the tax under this subsection must submit to the Department of Revenue any other information as the Department may require for the administration and enforcement of the tax.

When certifying the amount of a monthly disbursement to a municipality under this subsection, the Department shall increase or decrease the amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

Nothing in this subsection shall be construed to authorize the municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsection (c) of this Section.

(c) If a tax has been imposed under subsection (b), a Business District Service Occupation Tax shall also be imposed upon all persons engaged, in the business district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the business district, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax shall be imposed at the same rate as the tax imposed in subsection (b) and shall not exceed 1% of the selling price of tangible personal property so transferred within the business district, to be imposed only in 0.25% increments. The tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 8-11-22. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection; to collect all taxes and penalties due under this subsection; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure as are prescribed in Sections 2, 2a through 2d, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the business district), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the municipality), the first paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are

authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the business district retailers' occupation tax fund.

Except as otherwise provided in this paragraph, the Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes, penalties, and interest collected under this subsection for deposit into the business district retailers' occupation tax fund. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this subsection during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities from the business district retailers' occupation tax fund, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties under this subsection to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this subsection during the second preceding calendar month by the Department, less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2019), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this subsection, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities, provided for in this subsection to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification. The proceeds of the tax paid to municipalities under this subsection shall be deposited into the Business District Tax Allocation Fund by the municipality.

An ordinance imposing or discontinuing the tax under this subsection or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department, if all other requirements of this subsection are met, shall proceed to administer and enforce this subsection as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon, if all other conditions of this subsection are met, the Department shall proceed to administer and enforce this subsection as of the first day of January next following the adoption and filing.

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of the tax under this subsection, until the municipality also provides, in the manner prescribed by the Department, the boundaries of the business district in such a way that the Department can determine by its address whether a business is located in the business district. The municipality must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a business district or address change, addition, or deletion until the municipality reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The municipality must provide this boundary change information or address change, addition, or deletion to the Department on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change beginning on

the following January 1. The retailers in the business district shall be responsible for charging the tax imposed under this subsection. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this subsection, both the Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the municipality.

A municipality that imposes the tax under this subsection must submit to the Department of Revenue any other information as the Department may require for the administration and enforcement of the tax.

Nothing in this subsection shall be construed to authorize the municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

If a tax is imposed under this subsection (c), a tax shall also be imposed under subsection (b) of this Section.

(d) By ordinance, a municipality that has designated a business district under this Law may impose an occupation tax upon all persons engaged in the business district in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators' Occupation Tax Act, at a rate not to exceed 1% of the gross rental receipts from the renting, leasing, or letting of hotel rooms within the business district, to be imposed only in 0.25% increments, excluding, however, from gross rental receipts the proceeds of renting, leasing, or letting to permanent residents of a hotel, as defined in the Hotel Operators' Occupation Tax Act, and proceeds from the tax imposed under subsection (c) of Section 13 of the Metropolitan Pier and Exposition Authority Act.

The tax imposed by the municipality under this subsection and all civil penalties that may be assessed as an incident to that tax shall be collected and enforced by the municipality imposing the tax. The municipality shall have full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of and compliance with this subsection, the municipality and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers, and duties, shall be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and shall employ the same modes of procedure as are employed with respect to a tax adopted by the municipality under Section 8-3-14 of this Code.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their tax liability for that tax by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes imposed under the Hotel Operators' Occupation Tax Act, and with any other tax.

Nothing in this subsection shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

The proceeds of the tax imposed under this subsection shall be deposited into the Business District Tax Allocation Fund.

(e) Obligations secured by the Business District Tax Allocation Fund may be issued to provide for the payment or reimbursement of business district project costs. Those obligations, when so issued, shall be retired in the manner provided in the ordinance authorizing the issuance of those obligations by the receipts of taxes imposed pursuant to subsections (10) and (11) of Section 11-74.3-3 and by other revenue designated or pledged by the municipality. A municipality may in the ordinance pledge, for any period of time up to and including the dissolution date, all or any part of the funds in and to be deposited in the Business District Tax Allocation Fund to the payment of business district project costs and obligations. Whenever a municipality pledges all of the funds to the credit of a business district tax allocation fund to secure obligations issued or to be issued to pay or reimburse business district project costs, the municipality may specifically provide that funds remaining to the credit of such business district tax allocation fund after the payment of such obligations shall be accounted for annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be expended by the municipality for any business district project cost as approved in the business district plan. Whenever a municipality pledges less than all of the monies to the credit of a business district tax allocation fund to secure obligations issued or to be issued to pay or reimburse business district project costs, the municipality shall provide that monies to the credit of the business district tax allocation fund and not subject to such pledge or otherwise encumbered or required for payment of contractual obligations for specific business district project costs shall be calculated annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be expended by the municipality for any business district project cost as approved in the business district plan.

No obligation issued pursuant to this Law and secured by a pledge of all or any portion of any revenues received or to be received by the municipality from the imposition of taxes pursuant to subsection (10) of

Section 11-74.3-3, shall be deemed to constitute an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such pledge provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes imposed pursuant to subsection (10) of Section 11-74.3-3 and received or to be received by the municipality from the development or redevelopment of properties in the business district.

Without limiting the foregoing in this Section, the municipality may further secure obligations secured by the business district tax allocation fund with a pledge, for a period not greater than the term of the obligations and in any case not longer than the dissolution date, of any part or any combination of the following: (i) net revenues of all or part of any business district project; (ii) taxes levied or imposed by the municipality on any or all property in the municipality, including, specifically, taxes levied or imposed by the municipality in a special service area pursuant to the Special Service Area Tax Law; (iii) the full faith and credit of the municipality; (iv) a mortgage on part or all of the business district project; or (v) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Such obligations may be issued in one or more series, bear such date or dates, become due at such time or times as therein provided, but in any case not later than (i) 20 years after the date of issue or (ii) the dissolution date, whichever is earlier, bear interest payable at such intervals and at such rate or rates as set forth therein, except as may be limited by applicable law, which rate or rates may be fixed or variable, be in such denominations, be in such form, either coupon, registered, or book-entry, carry such conversion, registration and exchange privileges, be subject to defeasance upon such terms, have such rank or priority, be executed in such manner, be payable in such medium or payment at such place or places within or without the State, make provision for a corporate trustee within or without the State with respect to such obligations, prescribe the rights, powers, and duties thereof to be exercised for the benefit of the municipality and the benefit of the owners of such obligations, provide for the holding in trust, investment, and use of moneys, funds, and accounts held under an ordinance, provide for assignment of and direct payment of the moneys to pay such obligations or to be deposited into such funds or accounts directly to such trustee, be subject to such terms of redemption with or without premium, and be sold at such price, all as the corporate authorities shall determine. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to this Law except as provided in this Section.

In the event the municipality authorizes the issuance of obligations pursuant to the authority of this Law secured by the full faith and credit of the municipality, or pledges ad valorem taxes pursuant to this subsection, which obligations are other than obligations which may be issued under home rule powers provided by Section 6 of Article VII of the Illinois Constitution or which ad valorem taxes are other than ad valorem taxes which may be pledged under home rule powers provided by Section 6 of Article VII of the Illinois Constitution or which are levied in a special service area pursuant to the Special Service Area Tax Law, the ordinance authorizing the issuance of those obligations or pledging those taxes shall be published within 10 days after the ordinance has been adopted, in a newspaper having a general circulation within the municipality. The publication of the ordinance shall be accompanied by a notice of (i) the specific number of voters required to sign a petition requesting the question of the issuance of the obligations or pledging such ad valorem taxes to be submitted to the electors; (ii) the time within which the petition must be filed; and (iii) the date of the prospective referendum. The municipal clerk shall provide a petition form to any individual requesting one.

If no petition is filed with the municipal clerk, as hereinafter provided in this Section, within 21 days after the publication of the ordinance, the ordinance shall be in effect. However, if within that 21-day period a petition is filed with the municipal clerk, signed by electors numbering not less than 15% of the number of electors voting for the mayor or president at the last general municipal election, asking that the question of issuing obligations using full faith and credit of the municipality as security for the cost of paying or reimbursing business district project costs, or of pledging such ad valorem taxes for the payment of those obligations, or both, be submitted to the electors of the municipality, the municipality shall not be authorized to issue obligations of the municipality using the full faith and credit of the municipality as security or pledging such ad valorem taxes for the payment of those obligations, or both, until the proposition has been submitted to and approved by a majority of the voters voting on the proposition at a regularly scheduled election. The municipality shall certify the proposition to the proper election authorities for submission in accordance with the general election law.

The ordinance authorizing the obligations may provide that the obligations shall contain a recital that they are issued pursuant to this Law, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

In the event the municipality authorizes issuance of obligations pursuant to this Law secured by the full faith and credit of the municipality, the ordinance authorizing the obligations may provide for the levy and collection of a direct annual tax upon all taxable property within the municipality sufficient to pay the

principal thereof and interest thereon as it matures, which levy may be in addition to and exclusive of the maximum of all other taxes authorized to be levied by the municipality, which levy, however, shall be abated to the extent that monies from other sources are available for payment of the obligations and the municipality certifies the amount of those monies available to the county clerk.

A certified copy of the ordinance shall be filed with the county clerk of each county in which any portion of the municipality is situated, and shall constitute the authority for the extension and collection of the taxes to be deposited in the business district tax allocation fund.

A municipality may also issue its obligations to refund, in whole or in part, obligations theretofore issued by the municipality under the authority of this Law, whether at or prior to maturity. However, the last maturity of the refunding obligations shall not be expressed to mature later than the dissolution date.

In the event a municipality issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay or reimburse business district project costs, the municipality may, if it has followed the procedures in conformance with this Law, retire those obligations from funds in the business district tax allocation fund in amounts and in such manner as if those obligations had been issued pursuant to the provisions of this Law.

No obligations issued pursuant to this Law shall be regarded as indebtedness of the municipality issuing those obligations or any other taxing district for the purpose of any limitation imposed by law.

Obligations issued pursuant to this Law shall not be subject to the provisions of the Bond Authorization Act.

(f) When business district project costs, including, without limitation, all obligations paying or reimbursing business district project costs have been paid, any surplus funds then remaining in the Business District Tax Allocation Fund shall be distributed to the municipal treasurer for deposit into the general corporate fund of the municipality. Upon payment of all business district project costs and retirement of all obligations paying or reimbursing business district project costs, but in no event more than 23 years after the date of adoption of the ordinance imposing taxes pursuant to subsection (10) or (11) of Section 11-74.3-3, the municipality shall adopt an ordinance immediately rescinding the taxes imposed pursuant to subsection (10) or (11) of Section 11-74.3-3.

(Source: P.A. 99-143, eff. 7-27-15; 100-1171, eff. 1-4-19.)

(65 ILCS 5/11-101-3 new)

Sec. 11-101-3. Noise mitigation; air quality.

(a) A municipality that has implemented a Residential Sound Insulation Program to mitigate aircraft noise shall perform indoor air quality monitoring and laboratory analysis of windows and doors installed pursuant to the Residential Sound Insulation Program to determine whether there are any adverse health impacts associated with off-gassing from such windows and doors. Such monitoring and analysis shall be consistent with applicable professional and industry standards. The municipality shall make any final reports resulting from such monitoring and analysis available to the public on the municipality's website. The municipality shall develop a science-based mitigation plan to address significant health-related impacts, if any, associated with such windows and doors as determined by the results of the monitoring and analysis. In a municipality that has implemented a Residential Sound Insulation Program to mitigate aircraft noise, if requested by the homeowner pursuant to a process established by the municipality, which process shall include, at a minimum, notification in a newspaper of general circulation and a mailer sent to every address identified as a recipient of windows and doors installed under the Residential Sound Insulation Program, the municipality shall replace all windows and doors installed under the Residential Sound Insulation Program in such homes where one or more windows or doors have been found to have caused offensive odors. Only those homeowners who request that the municipality perform an odor inspection as prescribed by the process established by the municipality prior to March 31, 2020 shall be eligible for odorous window and odorous door replacement. Homes that have been identified by the municipality as having odorous windows or doors are not required to make said request to the municipality. The right to make a claim for replacement and have it considered pursuant to this Section shall not be affected by the fact of odor-related claims made or odor-related products received pursuant to the Residential Sound Insulation Program prior to the effective date of this Section.

(b) An advisory committee shall be formed, composed of the following: (i) 2 members of the municipality who reside in homes that have received windows or doors pursuant to the Residential Sound Insulation Program and have been identified by the municipality as having odorous windows or doors, appointed by the Secretary of Transportation; (ii) one employee of the Aeronautics Division of the Department of Transportation; and (iii) 2 employees of the municipality that implemented the Residential Sound Insulation Program in question. The advisory committee shall determine by majority vote which homes contain windows or doors that cause offensive odors and thus are eligible for replacement, shall promulgate a list of such homes, and shall develop recommendations as to the order in which homes are

to receive window replacement. The recommendations shall include reasonable and objective criteria for determining which windows or doors are odorous, consideration of the date of odor confirmation for prioritization, severity of odor, geography and individual hardship, and shall provide such recommendations to the municipality. The advisory committee shall comply with the requirements of the Illinois Open Meetings Act. The municipality shall consider the recommendations of the committee but shall retain final decision-making authority over replacement of windows and doors installed under the Residential Sound Insulation Program, and shall comply with all federal, State, and local laws involving procurement. A municipality administering claims pursuant to this Section shall provide to every address identified as having submitted a valid claim under this Section a quarterly report setting forth the municipality's activities undertaken pursuant to this Section for that quarter. However, the municipality shall replace windows and doors pursuant to this Section only if, and to the extent, grants are distributed to, and received by, the municipality from the Sound-Reducing Windows and Doors Replacement Fund for the costs associated with the replacement of sound-reducing windows and doors installed under the Residential Sound Insulation Program pursuant to Section 6z-20.1 of the State Finance Act. In addition, the municipality shall revise its specifications for procurement of windows for the Residential Sound Insulation Program to address potential off-gassing from such windows in future phases of the program. A municipality subject to the Section shall not legislate or otherwise regulate with regard to indoor air quality monitoring, laboratory analysis or replacement requirements, except as provided in this Section, but the foregoing restriction shall not limit said municipality's taxing power.

(c) A home rule unit may not regulate indoor air quality monitoring and laboratory analysis, and related mitigation and mitigation plans, in a manner inconsistent with this Section. This Section is a limitation of home rule powers and functions under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

(d) This Section shall not be construed to create a private right of action.

Section 15-50. The Civic Center Code is amended by changing Section 245-12 as follows:
(70 ILCS 200/245-12)

Sec. 245-12. Use and occupation taxes.

(a) The Authority may adopt a resolution that authorizes a referendum on the question of whether the Authority shall be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax in one-quarter percent increments at a rate not to exceed 1%. The Authority shall certify the question to the proper election authorities who shall submit the question to the voters of the metropolitan area at the next regularly scheduled election in accordance with the general election law. The question shall be in substantially the following form:

"Shall the Salem Civic Center Authority be authorized to impose a retailers' occupation tax, a service occupation tax, and a use tax at the rate of (rate) for the sole purpose of obtaining funds for the support, construction, maintenance, or financing of a facility of the Authority?"

Votes shall be recorded as "yes" or "no". If a majority of all votes cast on the proposition are in favor of the proposition, the Authority is authorized to impose the tax.

(b) The Authority shall impose the retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail in the metropolitan area, at the rate approved by referendum, on the gross receipts from the sales made in the course of such business within the metropolitan area. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the Authority does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

On or before September 1, 2019, and on or before each April 1 and October 1 thereafter, the Authority must certify to the Department of Transportation, in the form and manner required by the Department, whether the Authority has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the Authority to include tax on aviation fuel. On or before October 1, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner provided in this Section; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions therein other than the State rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except as to the disposition of taxes and penalties collected and provisions related to quarter monthly payments, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this subsection may reimburse themselves for their seller's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

If a tax is imposed under this subsection (b), a tax shall also be imposed at the same rate under subsections (c) and (d) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize the Authority to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the metropolitan area, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the metropolitan area as an incident to a sale of service. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue.

Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the Authority does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. On or before September 1, 2019, and on or before each April 1 and October 1 thereafter, the Authority must certify to the Department of Transportation, in the form and manner required by the Department, whether the Authority has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the Authority to include tax on aviation fuel. On or before October, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

The Department has full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this paragraph, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions,

exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the metropolitan area), 2a, 2b, 3 through 3-55 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the Authority), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the Authority), 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

Nothing in this paragraph shall be construed to authorize the Authority to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a use tax shall also be imposed at the same rate upon the privilege of using, in the metropolitan area, any item of tangible personal property that is purchased outside the metropolitan area at retail from a retailer, and that is titled or registered at a location within the metropolitan area with an agency of this State's government. "Selling price" is defined as in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the metropolitan area. The tax shall be collected by the Department of Revenue for the Authority. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department has full power to administer and enforce this paragraph; to collect all taxes, penalties and interest due hereunder; to dispose of taxes, penalties and interest so collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest hereunder. In the administration of, and compliance with, this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a, 4, 6, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the Authority), 9 (except provisions relating to quarter monthly payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, that are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the tax fund referenced under paragraph (g) of this Section.

(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (c), or (d) of this Section

and no additional registration shall be required. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(f) The results of any election authorizing a proposition to impose a tax under this Section or effecting a change in the rate of tax shall be certified by the proper election authorities and filed with the Illinois Department on or before the first day of April. In addition, an ordinance imposing, discontinuing, or effecting a change in the rate of tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before the first day of April. After proper receipt of such certifications, the Department shall proceed to administer and enforce this Section as of the first day of July next following such adoption and filing.

(g) Except as otherwise provided, the Department of Revenue shall, upon collecting any taxes and penalties as provided in this Section, pay the taxes and penalties over to the State Treasurer as trustee for the Authority. The taxes and penalties shall be held in a trust fund outside the State Treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District. On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the Authority, which shall be the balance in the fund, less any amount determined by the Department to be necessary for the payment of refunds and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the Authority, the Comptroller shall cause an order to be drawn for payment for the amount in accordance with the directions contained in the certification. Amounts received from the tax imposed under this Section shall be used only for the support, construction, maintenance, or financing of a facility of the Authority.

(h) When certifying the amount of a monthly disbursement to the Authority under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a miscalculation is discovered.

(i) This Section may be cited as the Salem Civic Center Use and Occupation Tax Law.
(Source: P.A. 98-1098, eff. 8-26-14.)

Section 15-55. The Flood Prevention District Act is amended by changing Section 25 as follows:
(70 ILCS 750/25)

Sec. 25. Flood prevention retailers' and service occupation taxes.

(a) If the Board of Commissioners of a flood prevention district determines that an emergency situation exists regarding levee repair or flood prevention, and upon an ordinance confirming the determination adopted by the affirmative vote of a majority of the members of the county board of the county in which the district is situated, the county may impose a flood prevention retailers' occupation tax upon all persons engaged in the business of selling tangible personal property at retail within the territory of the district to provide revenue to pay the costs of providing emergency levee repair and flood prevention and to secure the payment of bonds, notes, and other evidences of indebtedness issued under this Act for a period not to exceed 25 years or as required to repay the bonds, notes, and other evidences of indebtedness issued under this Act. The tax rate shall be 0.25% of the gross receipts from all taxable sales made in the course of that business. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The County must comply with the certification requirements for airport-related purposes under Section 5-1184 of the Counties Code. The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii)

shall employ the same modes of procedure as are set forth in Sections 1 through 1o, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a through 2h, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act as if those provisions were set forth in this subsection.

Persons subject to any tax imposed under this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination in a single amount with State taxes that sellers are required to collect under the Use Tax Act, under any bracket schedules the Department may prescribe.

If a tax is imposed under this subsection (a), a tax shall also be imposed under subsection (b) of this Section.

(b) If a tax has been imposed under subsection (a), a flood prevention service occupation tax shall also be imposed upon all persons engaged within the territory of the district in the business of making sales of service, who, as an incident to making the sales of service, transfer tangible personal property, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service to provide revenue to pay the costs of providing emergency levee repair and flood prevention and to secure the payment of bonds, notes, and other evidences of indebtedness issued under this Act for a period not to exceed 25 years or as required to repay the bonds, notes, and other evidences of indebtedness. The tax rate shall be 0.25% of the selling price of all tangible personal property transferred. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. The County must comply with the certification requirements for airport-related purposes under Section 5-1184 of the Counties Code. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

In the administration of and compliance with this subsection, the Department and persons who are subject to this subsection shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are set forth in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State means the district), 2a through 2d, 3 through 3-50 (in respect to all provisions contained in those Sections other than the State rate of tax), 4 (except that the reference to the State shall be to the district), 5, 7, 8 (except that the jurisdiction to which the tax is a debt to the extent indicated in that Section 8 is the district), 9 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State means the district), Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, that charge may be stated in combination in a single amount with State tax that servicemen are authorized to collect under the Service Use Tax Act, under any bracket schedules the Department may prescribe.

(c) The taxes imposed in subsections (a) and (b) may not be imposed on personal property titled or registered with an agency of the State or on personal property taxed at the 1% rate under the Retailers' Occupation Tax Act and the Service Occupation Tax Act.

(d) Nothing in this Section shall be construed to authorize the district to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(e) The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act or a serviceman under the Service Occupation Tax Act permits the retailer or serviceman to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section.

(f) Except as otherwise provided, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the Flood Prevention Occupation Tax Fund, which shall be an unappropriated trust fund held outside the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the counties from which retailers or servicemen have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each county is equal to the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected from the county under this Section during the second preceding calendar month by the Department, (i) less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2019), which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department in administering and enforcing the provisions of this Section on behalf of the county, (ii) plus an amount that the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body; (iii) less an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; and (iv) less any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county. When certifying the amount of a monthly disbursement to a county under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any miscalculation of previous disbursements within the previous 6 months from the time a miscalculation is discovered.

Within 10 days after receipt by the Comptroller from the Department of the disbursement certification to the counties provided for in this Section, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

If the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, then the Department shall notify the Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the Treasurer out of the Flood Prevention Occupation Tax Fund.

(g) If a county imposes a tax under this Section, then the county board shall, by ordinance, discontinue the tax upon the payment of all indebtedness of the flood prevention district. The tax shall not be discontinued until all indebtedness of the District has been paid.

(h) Any ordinance imposing the tax under this Section, or any ordinance that discontinues the tax, must be certified by the county clerk and filed with the Illinois Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax or change in the rate as of the first day of January next following the filing.

(j) County Flood Prevention Occupation Tax Fund. All proceeds received by a county from a tax distribution under this Section must be maintained in a special fund known as the [name of county] flood prevention occupation tax fund. The county shall, at the direction of the flood prevention district, use moneys in the fund to pay the costs of providing emergency levee repair and flood prevention and to pay bonds, notes, and other evidences of indebtedness issued under this Act.

(k) This Section may be cited as the Flood Prevention Occupation Tax Law.
(Source: P.A. 99-143, eff. 7-27-15; 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-1171, eff. 1-4-19.)

Section 15-60. The Metro-East Park and Recreation District Act is amended by changing Section 30 as follows:

(70 ILCS 1605/30)

Sec. 30. Taxes.

(a) The board shall impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at

retail in the District on the gross receipts from the sales made in the course of business. This tax shall be imposed only at the rate of one-tenth of one per cent.

This additional tax may not be imposed on tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act. Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel shall be excluded from tax. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District. The tax imposed by the Board under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable without registering separately with the Department under an ordinance or resolution under this Section. The Department has full power to administer and enforce this Section, to collect all taxes and penalties due under this Section, to dispose of taxes and penalties so collected in the manner provided in this Section, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this Section. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions contained in those Sections other than the State rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions relating to transaction returns and quarter monthly payments, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and the Uniform Penalty and Interest Act as if those provisions were set forth in this Section.

On or before September 1, 2019, and on or before each April 1 and October 1 thereafter, the Board must certify to the Department of Transportation, in the form and manner required by the Department, whether the District has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the District to include tax on aviation fuel. On or before October 1, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their sellers' tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act, pursuant to such bracketed schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the State Metro-East Park and Recreation District Fund.

(b) If a tax has been imposed under subsection (a), a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the District, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the District as an incident to a sale of service. This tax may not be imposed on tangible personal property taxed at the 1% rate under the Service Occupation Tax Act. Beginning December 1, 2019, this tax may not be imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel shall be excluded from tax. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District. The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The Department has full power to administer and enforce this subsection; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties

so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this subsection, the Department and persons who are subject to this paragraph shall (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms, and (iii) employ the same modes of procedure as are prescribed in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the District), 2a, 2b, 2c, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the District), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the District), 9 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the District), Sections 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

On or before September 1, 2019, and on or before each April 1 and October 1 thereafter, the Board must certify to the Department of Transportation, in the form and manner required by the Department, whether the District has an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the District to include tax on aviation fuel. On or before October 1, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their serviceman's tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the State Metro-East Park and Recreation District Fund.

Nothing in this subsection shall be construed to authorize the board to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(c) Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the State Metro-East Park and Recreation District Fund, which shall be an unappropriated trust fund held outside of the State treasury. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district. The Department shall make this certification only if the Metro East Park and Recreation District imposes a tax on real property as provided in the definition of "local sales taxes" under the Innovation Development and Economy Act.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money pursuant to Section 35 of this Act to the District from which retailers have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to the District shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this Section during the second preceding calendar

month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including (i) an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the District, (ii) any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the District, (iii) any amounts that are transferred to the STAR Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the District, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the disbursement certification to the District and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with directions contained in the certification.

(d) For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(e) Nothing in this Section shall be construed to authorize the board to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(f) An ordinance imposing a tax under this Section or an ordinance extending the imposition of a tax to an additional county or counties shall be certified by the board and filed with the Department of Revenue either (i) on or before the first day of April, whereupon the Department shall proceed to administer and enforce the tax as of the first day of July next following the filing; or (ii) on or before the first day of October, whereupon the Department shall proceed to administer and enforce the tax as of the first day of January next following the filing.

(g) When certifying the amount of a monthly disbursement to the District under this Section, the Department shall increase or decrease the amounts by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

(Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-11-19.)

Section 15-65. The Local Mass Transit District Act is amended by changing Section 5.01 as follows:
(70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

Sec. 5.01. Metro East Mass Transit District; use and occupation taxes.

(a) The Board of Trustees of any Metro East Mass Transit District may, by ordinance adopted with the concurrence of two-thirds of the then trustees, impose throughout the District any or all of the taxes and fees provided in this Section. Except as otherwise provided, all ~~all~~ taxes and fees imposed under this Section shall be used only for public mass transportation systems, and the amount used to provide mass transit service to unserved areas of the District shall be in the same proportion to the total proceeds as the number of persons residing in the unserved areas is to the total population of the District. Except as otherwise provided in this Act, taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes.

(b) The Board may impose a Metro East Mass Transit District Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the district at a rate of 1/4 of 1%, or as authorized under subsection (d-5) of this Section, of the gross receipts from the sales made in the course of such business within the district, except that the rate of tax imposed under this Section on sales of aviation fuel on or after December 1, 2019 shall be 0.25% in Madison County unless the Metro-East Mass Transit District in Madison County has an "airport-related purpose" and any additional amount authorized under subsection (d-5) is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from any future increase in the tax. The rate in St. Clair County shall be 0.25% unless the Metro-East Mass Transit District in St. Clair County has an "airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel imposed in that County is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax.

On or before September 1, 2019, and on or before each April 1 and October 1 thereafter, each Metro-East Mass Transit District and Madison and St. Clair Counties must certify to the Department of Transportation, in the form and manner required by the Department, whether they have an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed under this Act to include tax on aviation fuel. On or before October 1, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Metro East Mass Transit District tax fund established under paragraph (h) of this Section.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsections (c) and (d) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this Section shall be construed to authorize the Metro East Mass Transit District to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a Metro East Mass Transit District Service Occupation Tax shall also be imposed upon all persons engaged, in the district, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the District, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax rate shall be 1/4%, or as authorized under subsection (d-5) of this Section, of the selling price of tangible personal property so transferred within the district, except that the rate of tax imposed in these Counties under this Section on sales of aviation fuel on or after December 1, 2019 shall be 0.25% in Madison County unless the Metro-East Mass Transit District in Madison County has an "airport-related purpose" and any additional amount authorized under subsection (d-5) is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is

dedicated, then aviation fuel is excluded from any future increase in the tax. The rate in St. Clair County shall be 0.25% unless the Metro-East Mass Transit District in St. Clair County has an "airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax.

On or before December 1, 2019, and on or before each May 1 and November 1 thereafter, each Metro-East Mass Transit District and Madison and St. Clair Counties must certify to the Department of Transportation, in the form and manner required by the Department, whether they have an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed under this Act to include tax on aviation fuel. On or before October 1, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure as are prescribed in Sections 1a-1, 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the Authority), 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the District), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the District), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Metro East Mass Transit District tax fund established under paragraph (h) of this Section.

Nothing in this paragraph shall be construed to authorize the District to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a Metro East Mass Transit District Use Tax shall also be imposed upon the privilege of using, in the district, any item of tangible personal property that is purchased outside the district at retail from a retailer, and that is titled or registered with an agency of this State's government, at a rate of 1/4%, or as authorized under subsection (d-5) of this Section, of the selling price of the tangible personal property within the District, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the District. The tax shall be collected by the Department of Revenue for the Metro East Mass Transit District. The tax must be paid to the State, or an exemption determination must be obtained from

the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties and interest due hereunder; to dispose of taxes, penalties and interest so collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest hereunder. In the administration of, and compliance with, this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, that are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Metro East Mass Transit District tax fund established under paragraph (h) of this Section.

(d-5) (A) The county board of any county participating in the Metro East Mass Transit District may authorize, by ordinance, a referendum on the question of whether the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax for the District should be increased from 0.25% to 0.75%. Upon adopting the ordinance, the county board shall certify the proposition to the proper election officials who shall submit the proposition to the voters of the District at the next election, in accordance with the general election law.

The proposition shall be in substantially the following form:

Shall the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax be increased from 0.25% to 0.75%?

(B) Two thousand five hundred electors of any Metro East Mass Transit District may petition the Chief Judge of the Circuit Court, or any judge of that Circuit designated by the Chief Judge, in which that District is located to cause to be submitted to a vote of the electors the question whether the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax for the District should be increased from 0.25% to 0.75%.

Upon submission of such petition the court shall set a date not less than 10 nor more than 30 days thereafter for a hearing on the sufficiency thereof. Notice of the filing of such petition and of such date shall be given in writing to the District and the County Clerk at least 7 days before the date of such hearing.

If such petition is found sufficient, the court shall enter an order to submit that proposition at the next election, in accordance with general election law.

The form of the petition shall be in substantially the following form: To the Circuit Court of the County of (name of county):

We, the undersigned electors of the (name of transit district), respectfully petition your honor to submit to a vote of the electors of (name of transit district) the following proposition:

Shall the tax rates for the Metro East Mass Transit District Retailers' Occupation Tax, the Metro East Mass Transit District Service Occupation Tax, and the Metro East Mass Transit District Use Tax be increased from 0.25% to 0.75%?

Name Address, with Street and Number.

.....
.....

(C) The votes shall be recorded as "YES" or "NO". If a majority of all votes cast on the proposition are for the increase in the tax rates, the Metro East Mass Transit District shall begin imposing the increased rates in the District, and the Department of Revenue shall begin collecting the increased amounts, as provided under this Section. An ordinance imposing or discontinuing a tax hereunder or effecting a change

in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing, or on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing.

(D) If the voters have approved a referendum under this subsection, before November 1, 1994, to increase the tax rate under this subsection, the Metro East Mass Transit District Board of Trustees may adopt by a majority vote an ordinance at any time before January 1, 1995 that excludes from the rate increase tangible personal property that is titled or registered with an agency of this State's government. The ordinance excluding titled or registered tangible personal property from the rate increase must be filed with the Department at least 15 days before its effective date. At any time after adopting an ordinance excluding from the rate increase tangible personal property that is titled or registered with an agency of this State's government, the Metro East Mass Transit District Board of Trustees may adopt an ordinance applying the rate increase to that tangible personal property. The ordinance shall be adopted, and a certified copy of that ordinance shall be filed with the Department, on or before October 1, whereupon the Department shall proceed to administer and enforce the rate increase against tangible personal property titled or registered with an agency of this State's government as of the following January 1. After December 31, 1995, any reimposed rate increase in effect under this subsection shall no longer apply to tangible personal property titled or registered with an agency of this State's government. Beginning January 1, 1996, the Board of Trustees of any Metro East Mass Transit District may never reimpose a previously excluded tax rate increase on tangible personal property titled or registered with an agency of this State's government. After July 1, 2004, if the voters have approved a referendum under this subsection to increase the tax rate under this subsection, the Metro East Mass Transit District Board of Trustees may adopt by a majority vote an ordinance that excludes from the rate increase tangible personal property that is titled or registered with an agency of this State's government. The ordinance excluding titled or registered tangible personal property from the rate increase shall be adopted, and a certified copy of that ordinance shall be filed with the Department on or before October 1, whereupon the Department shall administer and enforce this exclusion from the rate increase as of the following January 1, or on or before April 1, whereupon the Department shall administer and enforce this exclusion from the rate increase as of the following July 1. The Board of Trustees of any Metro East Mass Transit District may never reimpose a previously excluded tax rate increase on tangible personal property titled or registered with an agency of this State's government.

(d-6) If the Board of Trustees of any Metro East Mass Transit District has imposed a rate increase under subsection (d-5) and filed an ordinance with the Department of Revenue excluding titled property from the higher rate, then that Board may, by ordinance adopted with the concurrence of two-thirds of the then trustees, impose throughout the District a fee. The fee on the excluded property shall not exceed \$20 per retail transaction or an amount equal to the amount of tax excluded, whichever is less, on tangible personal property that is titled or registered with an agency of this State's government. Beginning July 1, 2004, the fee shall apply only to titled property that is subject to either the Metro East Mass Transit District Retailers' Occupation Tax or the Metro East Mass Transit District Service Occupation Tax. No fee shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

(d-7) Until June 30, 2004, if a fee has been imposed under subsection (d-6), a fee shall also be imposed upon the privilege of using, in the district, any item of tangible personal property that is titled or registered with any agency of this State's government, in an amount equal to the amount of the fee imposed under subsection (d-6).

(d-7.1) Beginning July 1, 2004, any fee imposed by the Board of Trustees of any Metro East Mass Transit District under subsection (d-6) and all civil penalties that may be assessed as an incident of the fees shall be collected and enforced by the State Department of Revenue. Reference to "taxes" in this Section shall be construed to apply to the administration, payment, and remittance of all fees under this Section. For purposes of any fee imposed under subsection (d-6), 4% of the fee, penalty, and interest received by the Department in the first 12 months that the fee is collected and enforced by the Department and 2% of the fee, penalty, and interest following the first 12 months (except the amount collected on aviation fuel sold on or after December 1, 2019) shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department. No retailers' discount shall apply to any fee imposed under subsection (d-6).

(d-8) No item of titled property shall be subject to both the higher rate approved by referendum, as authorized under subsection (d-5), and any fee imposed under subsection (d-6) or (d-7).

(d-9) (Blank).

[June 2, 2019]

(d-10) (Blank).

(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (c) or (d) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(f) (Blank).

(g) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the Metro East Mass Transit District as of September 1 next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, except as provided in subsection (d-5) of this Section, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing, or, beginning January 1, 2004, on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing.

(h) Except as provided in subsection (d-7.1), the State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the District. The taxes shall be held in a trust fund outside the State Treasury. Taxes and penalties collected in St. Clair Counties on aviation fuel sold on or after December 1, 2019 from the 0.50% of the 0.75% rate shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district. The Department shall make this certification only if the local mass transit district imposes a tax on real property as provided in the definition of "local sales taxes" under the Innovation Development and Economy Act.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the District, which shall be the amount (not including credit memoranda and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including any amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the District, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the District, and less any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the District, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the District and the Tax Compliance and Administration Fund, the Comptroller shall cause an order to be drawn for payment for the amount in accordance with the direction in the certification.

(Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

Section 15-70. The Regional Transportation Authority Act is amended by changing Section 4.03 as follows:

(70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

Sec. 4.03. Taxes.

[June 2, 2019]

(a) In order to carry out any of the powers or purposes of the Authority, the Board may by ordinance adopted with the concurrence of 12 of the then Directors, impose throughout the metropolitan region any or all of the taxes provided in this Section. Except as otherwise provided in this Act, taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes. Nothing in Public Act 95-708 is intended to invalidate any taxes currently imposed by the Authority. The increased vote requirements to impose a tax shall only apply to actions taken after January 1, 2008 (the effective date of Public Act 95-708).

(b) The Board may impose a public transportation tax upon all persons engaged in the metropolitan region in the business of selling at retail motor fuel for operation of motor vehicles upon public highways. The tax shall be at a rate not to exceed 5% of the gross receipts from the sales of motor fuel in the course of the business. As used in this Act, the term "motor fuel" shall have the same meaning as in the Motor Fuel Tax Law. The Board may provide for details of the tax. The provisions of any tax shall conform, as closely as may be practicable, to the provisions of the Municipal Retailers Occupation Tax Act, including without limitation, conformity to penalties with respect to the tax imposed and as to the powers of the State Department of Revenue to promulgate and enforce rules and regulations relating to the administration and enforcement of the provisions of the tax imposed, except that reference in the Act to any municipality shall refer to the Authority and the tax shall be imposed only with regard to receipts from sales of motor fuel in the metropolitan region, at rates as limited by this Section.

(c) In connection with the tax imposed under paragraph (b) of this Section the Board may impose a tax upon the privilege of using in the metropolitan region motor fuel for the operation of a motor vehicle upon public highways, the tax to be at a rate not in excess of the rate of tax imposed under paragraph (b) of this Section. The Board may provide for details of the tax.

(d) The Board may impose a motor vehicle parking tax upon the privilege of parking motor vehicles at off-street parking facilities in the metropolitan region at which a fee is charged, and may provide for reasonable classifications in and exemptions to the tax, for administration and enforcement thereof and for civil penalties and refunds thereunder and may provide criminal penalties thereunder, the maximum penalties not to exceed the maximum criminal penalties provided in the Retailers' Occupation Tax Act. The Authority may collect and enforce the tax itself or by contract with any unit of local government. The State Department of Revenue shall have no responsibility for the collection and enforcement unless the Department agrees with the Authority to undertake the collection and enforcement. As used in this paragraph, the term "parking facility" means a parking area or structure having parking spaces for more than 2 vehicles at which motor vehicles are permitted to park in return for an hourly, daily, or other periodic fee, whether publicly or privately owned, but does not include parking spaces on a public street, the use of which is regulated by parking meters.

(e) The Board may impose a Regional Transportation Authority Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the metropolitan region. In Cook County, the tax rate shall be 1.25% of the gross receipts from sales of tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act, and 1% of the gross receipts from other taxable sales made in the course of that business. In DuPage, Kane, Lake, McHenry, and Will counties, the tax rate shall be 0.75% of the gross receipts from all taxable sales made in the course of that business. Except that the rate of tax imposed in these Counties under this Section on sales of aviation fuel on or after December 1, 2019 shall be 0.25% unless the Regional Transportation Authority in DuPage, Kane, Lake, McHenry and Will counties has an "airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax. The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the

Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

On or before September 1, 2019, and on or before each April 1 and October 1 thereafter, the Authority and Cook, DuPage, Kane, Lake, McHenry, and Will counties must certify to the Department of Transportation, in the form and manner required by the Department, whether they have an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed under this Act to include tax on aviation fuel. On or before October 1, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination in a single amount with State taxes that sellers are required to collect under the Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

If a tax is imposed under this subsection (e), a tax shall also be imposed under subsections (f) and (g) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this Section shall be construed to authorize the Regional Transportation Authority to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(f) If a tax has been imposed under paragraph (e), a Regional Transportation Authority Service Occupation Tax shall also be imposed upon all persons engaged, in the metropolitan region in the business of making sales of service, who as an incident to making the sales of service, transfer tangible personal property within the metropolitan region, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. In Cook County, the tax rate shall be: (1) 1.25% of the serviceman's cost price of food prepared for immediate consumption and transferred incident to a sale of service subject to the service occupation tax by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act of 2013, the ID/DD Community Care Act, or the MC/DD Act that is located in the metropolitan region; (2) 1.25% of the selling price of tangible personal property taxed at the 1% rate under the Service Occupation Tax Act; and (3) 1% of the selling price from other taxable sales of tangible personal property transferred. In DuPage, Kane, Lake, McHenry and Will counties, Counties the rate shall be 0.75% of the selling price of all tangible personal property transferred except that the rate of tax imposed in these Counties under this Section on sales of aviation fuel on or after December 1, 2019 shall be 0.25% unless the Regional Transportation Authority in DuPage, Kane, Lake, McHenry and Will counties has an "airport-related purpose" and the additional 0.50% of the 0.75% tax on aviation fuel is expended for airport-related purposes. If there is no airport-related purpose to which aviation fuel tax revenue is dedicated, then aviation fuel is excluded from the tax.

On or before September 1, 2019, and on or before each April 1 and October 1 thereafter, the Authority and Cook, DuPage, Kane, Lake, McHenry, and Will counties must certify to the Department of Transportation, in the form and manner required by the Department, whether they have an airport-related purpose, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed under

this Act to include tax on aviation fuel. On or before October 1, 2019, and on or before each May 1 and November 1 thereafter, the Department of Transportation shall provide to the Department of Revenue, a list of units of local government which have certified to the Department of Transportation that they have airport-related purposes, which would allow any Retailers' Occupation Tax and Service Occupation Tax imposed by the unit of local government to include tax on aviation fuel. All disputes regarding whether or not a unit of local government has an airport-related purpose shall be resolved by the Department of Transportation.

For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. This exclusion for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the Authority), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are deposited into the Local Government Aviation Trust Fund), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the Authority), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, that charge may be stated in combination in a single amount with State tax that servicemen are authorized to collect under the Service Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

Nothing in this paragraph shall be construed to authorize the Authority to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(g) If a tax has been imposed under paragraph (e), a tax shall also be imposed upon the privilege of using in the metropolitan region, any item of tangible personal property that is purchased outside the metropolitan region at retail from a retailer, and that is titled or registered with an agency of this State's government. In Cook County, the tax rate shall be 1% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. In DuPage, Kane, Lake, McHenry and Will counties, the tax rate shall be 0.75% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the metropolitan region. The tax shall be collected by the Department of Revenue for the Regional Transportation Authority. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties, and interest due hereunder; to dispose of taxes, penalties, and interest collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty, or interest hereunder. In the administration of and compliance with this

paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act, and are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

(h) The Authority may impose a replacement vehicle tax of \$50 on any passenger car as defined in Section 1-157 of the Illinois Vehicle Code purchased within the metropolitan region by or on behalf of an insurance company to replace a passenger car of an insured person in settlement of a total loss claim. The tax imposed may not become effective before the first day of the month following the passage of the ordinance imposing the tax and receipt of a certified copy of the ordinance by the Department of Revenue. The Department of Revenue shall collect the tax for the Authority in accordance with Sections 3-2002 and 3-2003 of the Illinois Vehicle Code.

Except as otherwise provided in this paragraph, the Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes collected hereunder. Taxes and penalties collected in DuPage, Kane, Lake, McHenry and Will Counties on aviation fuel sold on or after December 1, 2019 from the 0.50% of the 0.75% rate shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the Authority.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the Authority. The amount to be paid to the Authority shall be the amount collected hereunder during the second preceding calendar month by the Department, less any amount determined by the Department to be necessary for the payment of refunds, and less any amounts that are transferred to the STAR Bonds Revenue Fund. Within 10 days after receipt by the Comptroller of the disbursement certification to the Authority provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for that amount in accordance with the directions contained in the certification.

(i) The Board may not impose any other taxes except as it may from time to time be authorized by law to impose.

(j) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (e), (f) or (g) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(k) The provisions of any tax imposed under paragraph (c) of this Section shall conform as closely as may be practicable to the provisions of the Use Tax Act, including without limitation conformity as to penalties with respect to the tax imposed and as to the powers of the State Department of Revenue to promulgate and enforce rules and regulations relating to the administration and enforcement of the provisions of the tax imposed. The taxes shall be imposed only on use within the metropolitan region and at rates as provided in the paragraph.

(l) The Board in imposing any tax as provided in paragraphs (b) and (c) of this Section, shall, after seeking the advice of the State Department of Revenue, provide means for retailers, users or purchasers of motor fuel for purposes other than those with regard to which the taxes may be imposed as provided in

those paragraphs to receive refunds of taxes improperly paid, which provisions may be at variance with the refund provisions as applicable under the Municipal Retailers Occupation Tax Act. The State Department of Revenue may provide for certificates of registration for users or purchasers of motor fuel for purposes other than those with regard to which taxes may be imposed as provided in paragraphs (b) and (c) of this Section to facilitate the reporting and nontaxability of the exempt sales or uses.

(m) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the Regional Transportation Authority as of September 1 next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing, increasing, decreasing, or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department, whereupon the Department shall proceed to administer and enforce this Section as of the first day of the first month to occur not less than 60 days following such adoption and filing. Any ordinance or resolution of the Authority imposing a tax under this Section and in effect on August 1, 2007 shall remain in full force and effect and shall be administered by the Department of Revenue under the terms and conditions and rates of tax established by such ordinance or resolution until the Department begins administering and enforcing an increased tax under this Section as authorized by Public Act 95-708. The tax rates authorized by Public Act 95-708 are effective only if imposed by ordinance of the Authority.

(n) Except as otherwise provided in this subsection (n), the State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the Authority. The taxes shall be held in a trust fund outside the State Treasury. On or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois and to the Authority (i) the amount of taxes collected in each ~~county~~ ~~County~~ other than Cook County in the metropolitan region, (ii) the amount of taxes collected within the City of Chicago, and (iii) the amount collected in that portion of Cook County outside of Chicago, each amount less the amount necessary for the payment of refunds to taxpayers located in those areas described in items (i), (ii), and (iii), and less 1.5% of the remainder, which shall be transferred from the trust fund into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the Authority, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the certification of the amounts, the Comptroller shall cause an order to be drawn for the transfer of the amount certified into the Tax Compliance and Administration Fund and the payment of two-thirds of the amounts certified in item (i) of this subsection to the Authority and one-third of the amounts certified in item (i) of this subsection to the respective counties other than Cook County and the amount certified in items (ii) and (iii) of this subsection to the Authority.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in July 1991 and each year thereafter to the Regional Transportation Authority. The allocation shall be made in an amount equal to the average monthly distribution during the preceding calendar year (excluding the 2 months of lowest receipts) and the allocation shall include the amount of average monthly distribution from the Regional Transportation Authority Occupation and Use Tax Replacement Fund. The distribution made in July 1992 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department of Revenue shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

(o) Failure to adopt a budget ordinance or otherwise to comply with Section 4.01 of this Act or to adopt a Five-year Capital Program or otherwise to comply with paragraph (b) of Section 2.01 of this Act shall not affect the validity of any tax imposed by the Authority otherwise in conformity with law.

(p) At no time shall a public transportation tax or motor vehicle parking tax authorized under paragraphs (b), (c)₂ and (d) of this Section be in effect at the same time as any retailers' occupation, use or service occupation tax authorized under paragraphs (e), (f)₂ and (g) of this Section is in effect.

Any taxes imposed under the authority provided in paragraphs (b), (c)₂ and (d) shall remain in effect only until the time as any tax authorized by ~~paragraph paragraphs~~ (e), (f)₂ or (g) of this Section are imposed and becomes effective. Once any tax authorized by ~~paragraph paragraphs~~ (e), (f)₂ or (g) is imposed the Board may not reimpose taxes as authorized in paragraphs (b), (c)₂ and (d) of the Section unless any tax authorized by ~~paragraph paragraphs~~ (e), (f)₂ or (g) of this Section becomes ineffective by means other than an ordinance of the Board.

(q) Any existing rights, remedies and obligations (including enforcement by the Regional Transportation Authority) arising under any tax imposed under paragraph paragraphs (b), (c) 1 or (d) of this Section shall not be affected by the imposition of a tax under paragraph paragraphs (e), (f) 1 or (g) of this Section.

(Source: P.A. 99-180, eff. 7-29-15; 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-1171, eff. 1-4-19; revised 1-11-19.)

Section 15-75. The Water Commission Act of 1985 is amended by changing Section 4 as follows:
(70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

Sec. 4. Taxes.

(a) The board of commissioners of any county water commission may, by ordinance, impose throughout the territory of the commission any or all of the taxes provided in this Section for its corporate purposes. However, no county water commission may impose any such tax unless the commission certifies the proposition of imposing the tax to the proper election officials, who shall submit the proposition to the voters residing in the territory at an election in accordance with the general election law, and the proposition has been approved by a majority of those voting on the proposition.

The proposition shall be in the form provided in Section 5 or shall be substantially in the following form:

 Shall the (insert corporate
 name of county water commission) YES
 impose (state type of tax or -----
 taxes to be imposed) at the NO
 rate of 1/4%?

Taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes.

(b) The board of commissioners may impose a County Water Commission Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the territory of the commission at a rate of 1/4% of the gross receipts from the sales made in the course of such business within the territory. The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax except that tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act shall not be subject to tax hereunder), 2c, 3 (except as to the disposition of taxes and penalties collected, and except that the retailer's discount is not allowed for taxes paid on aviation fuel sold on or after December 1, 2019), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes that sellers are required to collect under the Use Tax Act and under subsection (e) of Section 4.03 of the Regional Transportation Authority Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of a county water commission tax fund established under subsection (g) of this Section.

For the purpose of determining whether a tax authorized under this paragraph is applicable, a retail sale by a producer of coal or other mineral mined in Illinois is a sale at retail at the place where the coal or

other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

If a tax is imposed under this subsection (b), a tax shall also be imposed under subsections (c) and (d) of this Section.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this paragraph shall be construed to authorize a county water commission to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(c) If a tax has been imposed under subsection (b), a County Water Commission Service Occupation Tax shall also be imposed upon all persons engaged, in the territory of the commission, in the business of making sales of service, who, as an incident to making the sales of service, transfer tangible personal property within the territory. The tax rate shall be 1/4% of the selling price of tangible personal property so transferred within the territory. The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State shall mean the territory of the commission), 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax except that tangible personal property taxed at the 1% rate under the Service Occupation Tax Act shall not be subject to tax hereunder), 4 (except that the reference to the State shall be to the territory of the commission), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the commission), 9 (except as to the disposition of taxes and penalties collected and except that the returned merchandise credit for this tax may not be taken against any State tax, and except that the retailer's discount is not allowed for taxes paid on aviation fuel sold on or after December 1, 2019), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the territory of the commission), the first paragraph of Section 15, 15.5, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, and any tax for which servicemen may be liable under subsection (f) of Section 4.03 of the Regional Transportation Authority Act, in accordance with such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of a county water commission tax fund established under subsection (g) of this Section.

Nothing in this paragraph shall be construed to authorize a county water commission to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by the State.

(d) If a tax has been imposed under subsection (b), a tax shall also be imposed upon the privilege of using, in the territory of the commission, any item of tangible personal property that is purchased outside the territory at retail from a retailer, and that is titled or registered with an agency of this State's government, at a rate of 1/4% of the selling price of the tangible personal property within the territory, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the territory. The tax shall be collected by the Department of Revenue for a county water commission. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal

property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties, and interest due hereunder; to dispose of taxes, penalties, and interest so collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty, or interest hereunder. In the administration of and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21, and 22 of the Use Tax Act and Section 3-7 of the Uniform Penalty and Interest Act that are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of a county water commission tax fund established under subsection (g) of this Section.

(e) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under subsection (b), (c), or (d) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under subsection (c) of this Section.

(f) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the county water commission as of September 1 next following the adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing.

(g) The State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the commission. The taxes shall be held in a trust fund outside the State Treasury.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this Section during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue Fund, on or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois the amount to be paid to the commission, which shall be the amount (not including credit memoranda) collected under this Section during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including any amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the commission, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the commission, and less any amounts that are transferred to the STAR Bonds Revenue Fund, less 1.5% of the remainder, which shall be transferred into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the commission, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this subsection. Within 10 days after receipt by the Comptroller of the certification of the amount to be paid to the commission and the Tax Compliance and Administration

Fund, the Comptroller shall cause an order to be drawn for the payment for the amount in accordance with the direction in the certification.

(h) Beginning June 1, 2016, any tax imposed pursuant to this Section may no longer be imposed or collected, unless a continuation of the tax is approved by the voters at a referendum as set forth in this Section.

(Source: P.A. 99-217, eff. 7-31-15; 99-642, eff. 7-28-16; 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-11-19.)

Section 15-80. The Environmental Impact Fee Law is amended by changing Sections 315 and 320 as follows:

(415 ILCS 125/315)

(Section scheduled to be repealed on January 1, 2025)

Sec. 315. Fee on receivers of fuel for sale or use; collection and reporting. A person that is required to pay the fee imposed by this Law shall pay the fee to the Department by return showing all fuel purchased, acquired, or received and sold, distributed or used during the preceding calendar month, including losses of fuel as the result of evaporation or shrinkage due to temperature variations, and such other reasonable information as the Department may require. Losses of fuel as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of the month, plus the receipts of gallonage during the month, minus the gallonage remaining in storage at the end of the month. Any loss reported that is in excess of this amount shall be subject to the fee imposed by Section 310 of this Law. On and after July 1, 2001, for each 6-month period January through June, net losses of fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each January, plus the receipts of gallonage each January through June, minus the gallonage remaining in storage at the end of each June. On and after July 1, 2001, for each 6-month period July through December, net losses of fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each July, plus the receipts of gallonage each July through December, minus the gallonage remaining in storage at the end of each December. Any net loss reported that is in excess of this amount shall be subject to the fee imposed by Section 310 of this Law. For purposes of this Section, "net loss" means the number of gallons gained through temperature variations minus the number of gallons lost through temperature variations or evaporation for each of the respective 6-month periods.

The return shall be prescribed by the Department and shall be filed between the 1st and 20th days of each calendar month. The Department may, in its discretion, combine the return filed under this Law with the return filed under Section 2b of the Motor Fuel Tax Law. If the return is timely filed, the receiver may take a discount of 2% through June 30, 2003 and 1.75% thereafter to reimburse himself for the expenses incurred in keeping records, preparing and filing returns, collecting and remitting the fee, and supplying data to the Department on request. However, the discount applies only to the amount of the fee payment that accompanies a return that is timely filed in accordance with this Section. The discount is not permitted on fees paid on aviation fuel sold or used on and after December 1, 2019. This exception for aviation fuel only applies for so long as the revenue use requirements of 49 U.S.C. §47017 (b) and 49 U.S.C. §47133 are binding on the State.

Beginning on January 1, 2018, each retailer required or authorized to collect the fee imposed by this Act on aviation fuel at retail in this State during the preceding calendar month shall, instead of reporting and paying tax on aviation fuel as otherwise required by this Section, file an aviation fuel tax return with the Department, on or before the twentieth day of each calendar month. The requirements related to the return shall be as otherwise provided in this Section. Notwithstanding any other provisions of this Act to the contrary, retailers collecting fees on aviation fuel shall file all aviation fuel tax returns and shall make all aviation fuel fee payments by electronic means in the manner and form required by the Department. For purposes of this paragraph, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.

If any payment provided for in this Section exceeds the receiver's liabilities under this Act, as shown on an original return, the Department may authorize the receiver to credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the receiver, the receiver's discount shall be reduced by an amount equal to the difference between the discount as applied to the credit taken and that actually due, and that receiver shall be liable for penalties and interest on such difference.

(Source: P.A. 100-1171, eff. 1-4-19.)

[June 2, 2019]

(415 ILCS 125/320)

(Section scheduled to be repealed on January 1, 2025)

Sec. 320. Deposit of fee receipts. Except as otherwise provided in this paragraph, all ~~All~~ money received by the Department under this Law shall be deposited in the Underground Storage Tank Fund created by Section 57.11 of the Environmental Protection Act. All money received for aviation fuel by the Department under this Law on or after December 1, 2019, shall be immediately paid over by the Department to the State Aviation Program Fund. The Department shall only pay such moneys into the State Aviation Program Fund under this Act for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State. For purposes of this Section, "aviation fuel" means a product that is intended for use or offered for sale as fuel for an aircraft.
(Source: P.A. 89-428, eff. 1-1-96; 89-457, eff. 5-22-96; 90-14, eff. 7-1-97.)

ARTICLE 20. NURSING HOMES

Section 20-5. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the

provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance

with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the

Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 this amendatory Act of the 100th General Assembly, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(ff) ~~(ee)~~ In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 this amendatory Act of the 100th General Assembly, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection ~~(ff)~~ ~~(ee)~~. The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection ~~(ff)~~ ~~(ee)~~. The adoption of emergency rules authorized by this subsection ~~(ff)~~ ~~(ee)~~ is deemed to be necessary for the public interest, safety, and welfare.

(gg) ~~(ff)~~ In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 this amendatory Act of the 101st General Assembly, emergency rules may be adopted by the Department of Labor in accordance with this subsection ~~(gg)~~ ~~(ff)~~ to implement the changes made by Public Act 101-1 this amendatory Act of the 101st General Assembly to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection ~~(gg)~~ ~~(ff)~~ is deemed to be necessary for the public interest, safety, and welfare.

(hh) In order to provide for the expeditious and timely implementation of the provisions of this amendatory Act of the 101st General Assembly, emergency rules may be adopted in accordance with this subsection (hh) to implement the changes made by this amendatory Act of the 101st General Assembly to subsection (j) of Section 5-5.2 of the Illinois Public Aid Code. The adoption of emergency rules authorized by this subsection (hh) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

Section 20-10. The Illinois Public Aid Code is amended by changing Section 5-5.2 as follows:

(305 ILCS 5/5-5.2) (from Ch. 23, par. 5-5.2)

Sec. 5-5.2. Payment.

(a) All nursing facilities that are grouped pursuant to Section 5-5.1 of this Act shall receive the same rate of payment for similar services.

(b) It shall be a matter of State policy that the Illinois Department shall utilize a uniform billing cycle throughout the State for the long-term care providers.

(c) Notwithstanding any other provisions of this Code, the methodologies for reimbursement of nursing services as provided under this Article shall no longer be applicable for bills payable for nursing services rendered on or after a new reimbursement system based on the Resource Utilization Groups (RUGs) has been fully operationalized, which shall take effect for services provided on or after January 1, 2014.

(d) The new nursing services reimbursement methodology utilizing RUG-IV 48 grouper model, which shall be referred to as the RUGs reimbursement system, taking effect January 1, 2014, shall be based on the following:

(1) The methodology shall be resident-driven, facility-specific, and cost-based.

(2) Costs shall be annually rebased and case mix index quarterly updated. The nursing services methodology will be assigned to the Medicaid enrolled residents on record as of 30 days prior to the beginning of the rate period in the Department's Medicaid Management Information System (MMIS) as present on the last day of the second quarter preceding the rate period based upon the Assessment Reference Date of the Minimum Data Set (MDS).

(3) Regional wage adjustors based on the Health Service Areas (HSA) groupings and adjusters in effect on April 30, 2012 shall be included.

(4) Case mix index shall be assigned to each resident class based on the Centers for Medicare and Medicaid Services staff time measurement study in effect on July 1, 2013, utilizing an index maximization approach.

(5) The pool of funds available for distribution by case mix and the base facility rate shall be determined using the formula contained in subsection (d-1).

(d-1) Calculation of base year Statewide RUG-IV nursing base per diem rate.

(1) Base rate spending pool shall be:

(A) The base year resident days which are calculated by multiplying the number of Medicaid residents in each nursing home as indicated in the MDS data defined in paragraph (4) by 365.

(B) Each facility's nursing component per diem in effect on July 1, 2012 shall be multiplied by subsection (A).

(C) Thirteen million is added to the product of subparagraph (A) and subparagraph (B) to adjust for the exclusion of nursing homes defined in paragraph (5).

(2) For each nursing home with Medicaid residents as indicated by the MDS data defined in paragraph (4), weighted days adjusted for case mix and regional wage adjustment shall be calculated. For each home this calculation is the product of:

(A) Base year resident days as calculated in subparagraph (A) of paragraph (1).

(B) The nursing home's regional wage adjustor based on the Health Service Areas (HSA) groupings and adjustors in effect on April 30, 2012.

(C) Facility weighted case mix which is the number of Medicaid residents as indicated by the MDS data defined in paragraph (4) multiplied by the associated case weight for the RUG-IV 48 grouper model using standard RUG-IV procedures for index maximization.

(D) The sum of the products calculated for each nursing home in subparagraphs (A) through (C) above shall be the base year case mix, rate adjusted weighted days.

(3) The Statewide RUG-IV nursing base per diem rate:

(A) on January 1, 2014 shall be the quotient of the paragraph (1) divided by the sum calculated under subparagraph (D) of paragraph (2); and

(B) on and after July 1, 2014, shall be the amount calculated under subparagraph (A) of this paragraph (3) plus \$1.76.

(4) Minimum Data Set (MDS) comprehensive assessments for Medicaid residents on the last day of the quarter used to establish the base rate.

(5) Nursing facilities designated as of July 1, 2012 by the Department as "Institutions for Mental Disease" shall be excluded from all calculations under this subsection. The data from these facilities shall not be used in the computations described in paragraphs (1) through (4) above to establish the base rate.

(e) Beginning July 1, 2014, the Department shall allocate funding in the amount up to \$10,000,000 for per diem add-ons to the RUGS methodology for dates of service on and after July 1, 2014:

(1) \$0.63 for each resident who scores in I4200 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.

(2) \$2.67 for each resident who scores either a "1" or "2" in any items S1200A through S1200I and also scores in RUG groups PA1, PA2, BA1, or BA2.

(e-1) (Blank).

(e-2) For dates of services beginning January 1, 2014, the RUG-IV nursing component per diem for a nursing home shall be the product of the statewide RUG-IV nursing base per diem rate, the facility average case mix index, and the regional wage adjustor. Transition rates for services provided between January 1, 2014 and December 31, 2014 shall be as follows:

(1) The transition RUG-IV per diem nursing rate for nursing homes whose rate calculated in this subsection (e-2) is greater than the nursing component rate in effect July 1, 2012 shall be paid the sum of:

(A) The nursing component rate in effect July 1, 2012; plus

(B) The difference of the RUG-IV nursing component per diem calculated for the current quarter minus the nursing component rate in effect July 1, 2012 multiplied by 0.88.

(2) The transition RUG-IV per diem nursing rate for nursing homes whose rate calculated in this subsection (e-2) is less than the nursing component rate in effect July 1, 2012 shall be paid the sum of:

(A) The nursing component rate in effect July 1, 2012; plus

(B) The difference of the RUG-IV nursing component per diem calculated for the current quarter minus the nursing component rate in effect July 1, 2012 multiplied by 0.13.

(f) Notwithstanding any other provision of this Code, on and after July 1, 2012, reimbursement rates associated with the nursing or support components of the current nursing facility rate methodology shall not increase beyond the level effective May 1, 2011 until a new reimbursement system based on the RUGs IV 48 grouper model has been fully operationalized.

(g) Notwithstanding any other provision of this Code, on and after July 1, 2012, for facilities not designated by the Department of Healthcare and Family Services as "Institutions for Mental Disease", rates effective May 1, 2011 shall be adjusted as follows:

(1) Individual nursing rates for residents classified in RUG IV groups PA1, PA2, BA1, and BA2 during the quarter ending March 31, 2012 shall be reduced by 10%;

(2) Individual nursing rates for residents classified in all other RUG IV groups shall be reduced by 1.0%;

(3) Facility rates for the capital and support components shall be reduced by 1.7%.

(h) Notwithstanding any other provision of this Code, on and after July 1, 2012, nursing facilities designated by the Department of Healthcare and Family Services as "Institutions for Mental Disease" and "Institutions for Mental Disease" that are facilities licensed under the Specialized Mental Health Rehabilitation Act of 2013 shall have the nursing, socio-developmental, capital, and support components of their reimbursement rate effective May 1, 2011 reduced in total by 2.7%.

(i) On and after July 1, 2014, the reimbursement rates for the support component of the nursing facility rate for facilities licensed under the Nursing Home Care Act as skilled or intermediate care facilities shall be the rate in effect on June 30, 2014 increased by 8.17%.

(j) Notwithstanding any other provision of law, subject to federal approval, effective July 1, 2019, sufficient funds shall be allocated for changes to rates for facilities licensed under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities for dates of services on and after July 1, 2019: (i) to establish a per diem add-on to the direct care per diem rate not to exceed \$70,000,000 annually in the aggregate taking into account federal matching funds for the purpose of addressing the facility's unique staffing needs, adjusted quarterly and distributed by a weighted formula based on Medicaid bed days on the last day of the second quarter preceding the quarter for which the rate is being adjusted; and (ii) in an amount not to exceed \$170,000,000 annually in the aggregate taking into account federal matching funds to permit the support component of the nursing facility rate to be updated as follows:

(1) 80%, or \$136,000,000, of the funds shall be used to update each facility's rate in effect on June 30, 2019 using the most recent cost reports on file, which have had a limited review conducted by the Department of Healthcare and Family Services and will not hold up enacting the rate increase, with the Department of Healthcare and Family Services and taking into account subsection (i).

(2) After completing the calculation in paragraph (1), any facility whose rate is less than the rate in effect on June 30, 2019 shall have its rate restored to the rate in effect on June 30, 2019 from the 20% of the funds set aside.

(3) The remainder of the 20%, or \$34,000,000, shall be used to increase each facility's rate by an equal percentage.

To implement item (i) in this subsection, facilities shall file quarterly reports documenting compliance with its annually approved staffing plan, which shall permit compliance with Section 3-202.05 of the Nursing Home Care Act. A facility that fails to meet the benchmarks and dates contained in the plan may have its add-on adjusted in the quarter following the quarterly review. Nothing in this Section shall limit the ability of the facility to appeal a ruling of non-compliance and a subsequent reduction to the add-on. Funds adjusted for noncompliance shall be maintained in the Long-Term Care Provider Fund and accounted for separately. At the end of each fiscal year, these funds shall be made available to facilities for special staffing projects.

In order to provide for the expeditious and timely implementation of the provisions of this amendatory Act of the 101st General Assembly, emergency rules to implement any provision of this amendatory Act of the 101st General Assembly may be adopted in accordance with this subsection by the agency charged with administering that provision or initiative. The agency shall simultaneously file emergency rules and permanent rules to ensure that there is no interruption in administrative guidance. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection, and the effective period may continue through June 30, 2021. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 98-104, Article 6, Section 6-240, eff. 7-22-13; 98-104, Article 11, Section 11-35, eff. 7-22-13; 98-651, eff. 6-16-14; 98-727, eff. 7-16-14; 98-756, eff. 7-16-14; 99-78, eff. 7-20-15.)

Section 20-15. The Nursing Home Care Act is amended by changing Sections 2-106.1, 3-202.05, and 3-209 and by adding Section 3-305.8 as follows:

(210 ILCS 45/2-106.1)

Sec. 2-106.1. Drug treatment.

(a) A resident shall not be given unnecessary drugs. An unnecessary drug is any drug used in an excessive dose, including in duplicative therapy; for excessive duration; without adequate monitoring; without adequate indications for its use; or in the presence of adverse consequences that indicate the drugs should be reduced or discontinued. The Department shall adopt, by rule, the standards for unnecessary

drugs contained in interpretive guidelines issued by the United States Department of Health and Human Services for the purposes of administering Titles XVIII and XIX of the Social Security Act.

(b) Except in the case of an emergency, psychotropic medication shall not be administered prescribed without the informed consent of the resident or the resident's surrogate decision maker guardian, or other authorized representative. "Psychotropic medication" means medication that is used for or listed as used for psychotropic antipsychotic, antidepressant, antimanic, or anti-anxiety behavior modification or behavior management purposes in the latest editions of the AMA Drug Evaluations or the Physician's Desk Reference. "Emergency" has the same meaning as in Section 1-112 of the Nursing Home Care Act. A facility shall (i) document the alleged emergency in detail, including the facts surrounding the medication's need, and (ii) present this documentation to the resident and the resident's representative. No later than January 1, 2021, the Department shall adopt, by rule, a protocol specifying how informed consent for psychotropic medication may be obtained or refused. The protocol shall require, at a minimum, a discussion between (i) the resident or the resident's surrogate decision maker authorized representative and (ii) the resident's physician, a registered pharmacist (who is not a dispensing pharmacist for the facility where the resident lives), or a licensed nurse about the possible risks and benefits of a recommended medication and the use of standardized consent forms designated by the Department. The protocol shall include informing the resident, surrogate decision maker, or both of the existence of a copy of: the resident's care plan; the facility policies and procedures adopted in compliance with subsection (b-15) of this Section; and a notification that the most recent of the resident's care plans and the facility's policies are available to the resident or surrogate decision maker upon request. Each form developed by the Department (i) shall be written in plain language, (ii) shall be able to be downloaded from the Department's official website, (iii) shall include information specific to the psychotropic medication for which consent is being sought, and (iv) shall be used for every resident for whom psychotropic drugs are prescribed. The Department shall utilize the rules, protocols, and forms developed and implemented under the Specialized Mental Health Rehabilitation Act of 2013 in effect on the effective date of this amendatory Act of the 101st General Assembly, except to the extent that this Act requires a different procedure, and except that the maximum possible period for informed consent shall be until: (1) a change in the prescription occurs, either as to type of psychotropic medication or dosage; or (2) a resident's care plan changes. The Department may further amend the rules after January 1, 2021 pursuant to existing rulemaking authority. In addition to creating those forms, the Department shall approve the use of any other informed consent forms that meet criteria developed by the Department. At the discretion of the Department, informed consent forms may include side effects that the Department reasonably believes are more common, with a direction that more complete information can be found via a link on the Department's website to third-party websites with more complete information, such as the United States Food and Drug Administration's website. The Department or a facility shall incur no liability for information provided on a consent form so long as the consent form is substantially accurate based upon generally accepted medical principles and if the form includes the website links.

Informed consent shall be sought from the resident. For the purposes of this Section, "surrogate decision maker" means an individual representing the resident's interests as permitted by this Section. Informed consent shall be sought by the resident's guardian of the person if one has been named by a court of competent jurisdiction. In the absence of a court-ordered guardian, informed consent shall be sought from a health care agent under the Illinois Power of Attorney Act who has authority to give consent. If neither a court-ordered guardian of the person nor a health care agent under the Illinois Power of Attorney Act is available and the attending physician determines that the resident lacks capacity to make decisions, informed consent shall be sought from the resident's attorney-in-fact designated under the Mental Health Treatment Preference Declaration Act, if applicable, or the resident's representative.

In addition to any other penalty prescribed by law, a facility that is found to have violated this subsection, or the federal certification requirement that informed consent be obtained before administering a psychotropic medication, shall thereafter be required to obtain the signatures of 2 licensed health care professionals on every form purporting to give informed consent for the administration of a psychotropic medication, certifying the personal knowledge of each health care professional that the consent was obtained in compliance with the requirements of this subsection.

(b-5) A facility must obtain voluntary informed consent, in writing, from a resident or the resident's surrogate decision maker before administering or dispensing a psychotropic medication to that resident.

(b-10) No facility shall deny continued residency to a person on the basis of the person's or resident's, or the person's or resident's surrogate decision maker's, refusal of the administration of psychotropic medication, unless the facility can demonstrate that the resident's refusal would place the health and safety of the resident, the facility staff, other residents, or visitors at risk.

A facility that alleges that the resident's refusal to consent to the administration of psychotropic medication will place the health and safety of the resident, the facility staff, other residents, or visitors at risk must: (1) document the alleged risk in detail; (2) present this documentation to the resident or the resident's surrogate decision maker, to the Department, and to the Office of the State Long Term Care Ombudsman; and (3) inform the resident or his or her surrogate decision maker of his or her right to appeal to the Department. The documentation of the alleged risk shall include a description of all nonpharmacological or alternative care options attempted and why they were unsuccessful.

(b-15) Within 100 days after the effective date of any rules adopted by the Department under subsection (b) of this Section, all facilities shall implement written policies and procedures for compliance with this Section. When the Department conducts its annual survey of a facility, the surveyor may review these written policies and procedures and either:

(1) give written notice to the facility that the policies or procedures are sufficient to demonstrate the facility's intent to comply with this Section; or

(2) provide written notice to the facility that the proposed policies and procedures are deficient, identify the areas that are deficient, and provide 30 days for the facility to submit amended policies and procedures that demonstrate its intent to comply with this Section.

A facility's failure to submit the documentation required under this subsection is sufficient to demonstrate its intent to not comply with this Section and shall be grounds for review by the Department.

All facilities must provide training and education on the requirements of this Section to all personnel involved in providing care to residents and train and educate such personnel on the methods and procedures to effectively implement the facility's policies. Training and education provided under this Section must be documented in each personnel file.

(b-20) Upon the receipt of a report of any violation of this Section, the Department shall investigate and, upon finding sufficient evidence of a violation of this Section, may proceed with disciplinary action against the licensee of the facility. In any administrative disciplinary action under this subsection, the Department shall have the discretion to determine the gravity of the violation and, taking into account mitigating and aggravating circumstances and facts, may adjust the disciplinary action accordingly.

(b-25) A violation of informed consent that, for an individual resident, lasts for 7 days or more under this Section is, at a minimum, a Type "B" violation. A second violation of informed consent within a year from a previous violation in the same facility regardless of the duration of the second violation is, at a minimum, a Type "B" violation.

(b-30) Any violation of this Section by a facility may be enforced by an action brought by the Department in the name of the People of Illinois for injunctive relief, civil penalties, or both injunctive relief and civil penalties. The Department may initiate the action upon its own complaint or the complaint of any other interested party.

(b-35) Any resident who has been administered a psychotropic medication in violation of this Section may bring an action for injunctive relief, civil damages, and costs and attorney's fees against any facility responsible for the violation.

(b-40) An action under this Section must be filed within 2 years of either the date of discovery of the violation that gave rise to the claim or the last date of an instance of a noncompliant administration of psychotropic medication to the resident, whichever is later.

(b-45) A facility subject to action under this Section shall be liable for damages of up to \$500 for each day after discovery of a violation that the facility violates the requirements of this Section.

(b-55) The rights provided for in this Section are cumulative to existing resident rights. No part of this Section shall be interpreted as abridging, abrogating, or otherwise diminishing existing resident rights or causes of action at law or equity.

(c) The requirements of this Section are intended to control in a conflict with the requirements of Sections 2-102 and 2-107.2 of the Mental Health and Developmental Disabilities Code with respect to the administration of psychotropic medication.

(Source: P.A. 95-331, eff. 8-21-07; 96-1372, eff. 7-29-10.)

(210 ILCS 45/3-202.05)

Sec. 3-202.05. Staffing ratios effective July 1, 2010 and thereafter.

(a) For the purpose of computing staff to resident ratios, direct care staff shall include:

- (1) registered nurses;
- (2) licensed practical nurses;
- (3) certified nurse assistants;
- (4) psychiatric services rehabilitation aides;
- (5) rehabilitation and therapy aides;
- (6) psychiatric services rehabilitation coordinators;

- (7) assistant directors of nursing;
- (8) 50% of the Director of Nurses' time; and
- (9) 30% of the Social Services Directors' time.

The Department shall, by rule, allow certain facilities subject to 77 Ill. Admin. Code 300.4000 and following (Subpart S) to utilize specialized clinical staff, as defined in rules, to count towards the staffing ratios.

Within 120 days of the effective date of this amendatory Act of the 97th General Assembly, the Department shall promulgate rules specific to the staffing requirements for facilities federally defined as Institutions for Mental Disease. These rules shall recognize the unique nature of individuals with chronic mental health conditions, shall include minimum requirements for specialized clinical staff, including clinical social workers, psychiatrists, psychologists, and direct care staff set forth in paragraphs (4) through (6) and any other specialized staff which may be utilized and deemed necessary to count toward staffing ratios.

Within 120 days of the effective date of this amendatory Act of the 97th General Assembly, the Department shall promulgate rules specific to the staffing requirements for facilities licensed under the Specialized Mental Health Rehabilitation Act of 2013. These rules shall recognize the unique nature of individuals with chronic mental health conditions, shall include minimum requirements for specialized clinical staff, including clinical social workers, psychiatrists, psychologists, and direct care staff set forth in paragraphs (4) through (6) and any other specialized staff which may be utilized and deemed necessary to count toward staffing ratios.

(b) (Blank). Beginning January 1, 2011, and thereafter, light intermediate care shall be staffed at the same staffing ratio as intermediate care.

(b-5) For purposes of the minimum staffing ratios in this Section, all residents shall be classified as requiring either skilled care or intermediate care.

As used in this subsection:

"Intermediate care" means basic nursing care and other restorative services under periodic medical direction.

"Skilled care" means skilled nursing care, continuous skilled nursing observations, restorative nursing, and other services under professional direction with frequent medical supervision.

(c) Facilities shall notify the Department within 60 days after the effective date of this amendatory Act of the 96th General Assembly, in a form and manner prescribed by the Department, of the staffing ratios in effect on the effective date of this amendatory Act of the 96th General Assembly for both intermediate and skilled care and the number of residents receiving each level of care.

~~(d)(1) (Blank). Effective July 1, 2010, for each resident needing skilled care, a minimum staffing ratio of 2.5 hours of nursing and personal care each day must be provided; for each resident needing intermediate care, 1.7 hours of nursing and personal care each day must be provided.~~

~~(2) (Blank). Effective January 1, 2011, the minimum staffing ratios shall be increased to 2.7 hours of nursing and personal care each day for a resident needing skilled care and 1.9 hours of nursing and personal care each day for a resident needing intermediate care.~~

~~(3) (Blank). Effective January 1, 2012, the minimum staffing ratios shall be increased to 3.0 hours of nursing and personal care each day for a resident needing skilled care and 2.1 hours of nursing and personal care each day for a resident needing intermediate care.~~

~~(4) (Blank). Effective January 1, 2013, the minimum staffing ratios shall be increased to 3.4 hours of nursing and personal care each day for a resident needing skilled care and 2.3 hours of nursing and personal care each day for a resident needing intermediate care.~~

(5) Effective January 1, 2014, the minimum staffing ratios shall be increased to 3.8 hours of nursing and personal care each day for a resident needing skilled care and 2.5 hours of nursing and personal care each day for a resident needing intermediate care.

(e) Ninety days after the effective date of this amendatory Act of the 97th General Assembly, a minimum of 25% of nursing and personal care time shall be provided by licensed nurses, with at least 10% of nursing and personal care time provided by registered nurses. These minimum requirements shall remain in effect until an acuity based registered nurse requirement is promulgated by rule concurrent with the adoption of the Resource Utilization Group classification-based payment methodology, as provided in Section 5-5.2 of the Illinois Public Aid Code. Registered nurses and licensed practical nurses employed by a facility in excess of these requirements may be used to satisfy the remaining 75% of the nursing and personal care time requirements. Notwithstanding this subsection, no staffing requirement in statute in effect on the effective date of this amendatory Act of the 97th General Assembly shall be reduced on account of this subsection.

(f) The Department shall submit proposed rules for adoption by January 1, 2020 establishing a system for determining compliance with minimum staffing set forth in this Section and the requirements of 77 Ill. Adm. Code 300.1230 adjusted for any waivers granted under Section 3-303.1. Compliance shall be determined quarterly by comparing the number of hours provided per resident per day using the Centers for Medicare and Medicaid Services' payroll-based journal and the facility's daily census, broken down by intermediate and skilled care as self-reported by the facility to the Department on a quarterly basis. The Department shall use the quarterly payroll-based journal and the self-reported census to calculate the number of hours provided per resident per day and compare this ratio to the minimum staffing standards required under this Section, as impacted by any waivers granted under Section 3-303.1. Discrepancies between job titles contained in this Section and the payroll-based journal shall be addressed by rule.

(g) The Department shall submit proposed rules for adoption by January 1, 2020 establishing monetary penalties for facilities not in compliance with minimum staffing standards under this Section. No monetary penalty may be issued for noncompliance during the implementation period, which shall be July 1, 2020 through September 30, 2020. If a facility is found to be noncompliant during the implementation period, the Department shall provide a written notice identifying the staffing deficiencies and require the facility to provide a sufficiently detailed correction plan to meet the statutory minimum staffing levels. Monetary penalties shall be imposed beginning no later than January 1, 2021 and quarterly thereafter and shall be based on the latest quarter for which the Department has data. Monetary penalties shall be established based on a formula that calculates on a daily basis the cost of wages and benefits for the missing staffing hours. All notices of noncompliance shall include the computations used to determine noncompliance and establishing the variance between minimum staffing ratios and the Department's computations. The penalty for the first offense shall be 125% of the cost of wages and benefits for the missing staffing hours. The penalty shall increase to 150% of the cost of wages and benefits for the missing staffing hours for the second offense and 200% the cost of wages and benefits for the missing staffing hours for the third and all subsequent offenses. The penalty shall be imposed regardless of whether the facility has committed other violations of this Act during the same period that the staffing offense occurred. The penalty may not be waived, but the Department shall have the discretion to determine the gravity of the violation in situations where there is no more than a 10% deviation from the staffing requirements and make appropriate adjustments to the penalty. The Department is granted discretion to waive the penalty when unforeseen circumstances have occurred that resulted in call-offs of scheduled staff. This provision shall be applied no more than 6 times per quarter. Nothing in this Section diminishes a facility's right to appeal.

(Source: P.A. 97-689, eff. 6-14-12; 98-104, eff. 7-22-13.)

(210 ILCS 45/3-209) (from Ch. 111 1/2, par. 4153-209)

Sec. 3-209. Required posting of information.

(a) Every facility shall conspicuously post for display in an area of its offices accessible to residents, employees, and visitors the following:

(1) Its current license;

(2) A description, provided by the Department, of complaint procedures established under this Act and the name, address, and telephone number of a person authorized by the Department to receive complaints;

(3) A copy of any order pertaining to the facility issued by the Department or a court;

and

(4) A list of the material available for public inspection under Section 3-210.

(b) A facility that has received a notice of violation for a violation of the minimum staffing requirements under Section 3-202.05 shall display, during the period of time the facility is out of compliance, a notice stating in Calibri (body) font and 26-point type in black letters on an 8.5 by 11 inch white paper the following:

"Notice Dated:

This facility does not currently meet the minimum staffing ratios required by law. Posted at the direction of the Illinois Department of Public Health."

The notice must be posted, at a minimum, at all publicly used exterior entryways into the facility, inside the main entrance lobby, and next to any registration desk for easily accessible viewing. The notice must also be posted on the main page of the facility's website. The Department shall have the discretion to determine the gravity of any violation and, taking into account mitigating and aggravating circumstances and facts, may reduce the requirement of, and amount of time for, posting the notice.

(Source: P.A. 81-1349.)

(210 ILCS 45/3-305.8 new)

Sec. 3-305.8. Database of nursing home quarterly reports and citations.

(a) The Department shall publish the quarterly reports of facilities in violation of this Act in an easily searchable, comprehensive, and downloadable electronic database on the Department's website in language that is easily understood. The database shall include quarterly reports of all facilities that have violated this Act starting from 2005 and shall continue indefinitely. The database shall be in an electronic format with active hyperlinks to individual facility citations. The database shall be updated quarterly and shall be electronically searchable using a facility's name and address and the facility owner's name and address.

(b) In lieu of the database under subsection (a), the Department may elect to publish the list mandated under Section 3-304 in an easily searchable, comprehensive, and downloadable electronic database on the Department's website in plain language. The database shall include the information from all such lists since 2005 and shall continue indefinitely. The database shall be in an electronic format with active hyperlinks to individual facility citations. The database shall be updated quarterly and shall be electronically searchable using a facility's name and address and the facility owner's name and address.

Section 20-20. The Specialized Mental Health Rehabilitation Act of 2013 is amended by changing Section 3-106 as follows:

(210 ILCS 49/3-106)

Sec. 3-106. Pharmaceutical treatment.

(a) A consumer shall not be given unnecessary drugs. An unnecessary drug is any drug used in an excessive dose, including in duplicative therapy; for excessive duration; without adequate monitoring; without adequate indications for its use; or in the presence of adverse consequences that indicate the drug should be reduced or discontinued. The Department shall adopt, by rule, the standards for unnecessary drugs.

~~(b) (Blank). Informed consent shall be required for the prescription of psychotropic medication consistent with the requirements contained in subsection (b) of Section 2-106.1 of the Nursing Home Care Act.~~

(b-5) Psychotropic medication shall not be prescribed without the informed consent of the consumer, the consumer's guardian, or other authorized representative. "Psychotropic medication" means medication that is used for or listed as used for antipsychotic, antidepressant, antimanic, or antianxiety behavior modification or behavior management purposes in the latest editions of the AMA Drug Evaluations or the Physician's Desk Reference. The Department shall adopt, by rule, a protocol specifying how informed consent for psychotropic medication may be obtained or refused. The protocol shall require, at a minimum, a discussion between the consumer or the consumer's authorized representative and the consumer's physician, a registered pharmacist who is not a dispensing pharmacist for the facility where the consumer lives, or a licensed nurse about the possible risks and benefits of a recommended medication and the use of standardized consent forms designated by the Department. Each form developed by the Department shall (i) be written in plain language, (ii) be able to be downloaded from the Department's official website, (iii) include information specific to the psychotropic medication for which consent is being sought, and (iv) be used for every consumer for whom psychotropic drugs are prescribed. In addition to creating those forms, the Department shall approve the use of any other informed consent forms that meet criteria developed by the Department. In addition to any other penalty prescribed by law, a facility that is found to have violated this subsection, or the federal certification requirement that informed consent be obtained before administering a psychotropic medication, shall thereafter be required to obtain the signatures of 2 licensed health care professionals on every form purporting to give informed consent for the administration of a psychotropic medication, certifying the personal knowledge of each health care professional that the consent was obtained in compliance with the requirements of this subsection.

The requirements of this Section are intended to control in a conflict with the requirements of Sections 2-102 and 2-107.2 of the Mental Health and Developmental Disabilities Code with respect to the administration of psychotropic medication.

(c) No drug shall be administered except upon the order of a person lawfully authorized to prescribe for and treat mental illness.

(d) All drug orders shall be written, dated, and signed by the person authorized to give such an order. The name, quantity, or specific duration of therapy, dosage, and time or frequency of administration of the drug and the route of administration if other than oral shall be specific.

(e) Verbal orders for drugs and treatment shall be received only by those authorized under Illinois law to do so from their supervising physician. Such orders shall be recorded immediately in the consumer's record by the person receiving the order and shall include the date and time of the order.

(Source: P.A. 98-104, eff. 7-22-13.)

[June 2, 2019]

ARTICLE 25. PRIVATE-PUBLIC PARTNERSHIP

Section 25-1. Short title. This Article may be cited as the Public-Private Partnership for Civic and Transit Infrastructure Project Act. References in this Article to "this Act" mean this Article.

Section 25-5. Public policy and legislative findings.

(a) It is in the best interest of the State of Illinois to encourage private investment in public transit-oriented infrastructure projects with broad economic development, civic and diversity equity, and community impacts, and to encourage related private development activities that will generate new State and local revenues to fund such public infrastructure, as well as to fund other statewide priorities.

(b) Existing methods of procurement and financing of transit-oriented public infrastructure projects serving the needs of the public limit the State's ability to access underutilized private land for such public infrastructure projects and to encourage private, tax-generating development on and adjacent to such public infrastructure projects.

(c) A private entity has proposed a civic and transit infrastructure project, to be completed in one or more phases, which presents an opportunity for a prudent State investment that will develop a major public transit infrastructure asset that has the potential to connect Metra, the South Shore Line, Amtrak, the Northern Indiana Commuter Transportation District, the Chicago Transportation Authority, bus service, and a central-area circulator transit system while bringing significant civic, economic, and fiscal benefits to the State.

(d) It is in the best interest of the State to authorize the public agency to enter into a public-private partnership with the private entity, whereby the private entity will develop, finance, construct, operate, and manage the Civic and Transit Infrastructure Project as necessary public infrastructure in the State, and for the State to utilize a portion of future State revenues to ultimately acquire the civic build as an asset of the State.

(e) The private entity will be accountable to the People of Illinois through a comprehensive system of oversight, auditing, and reporting, and shall meet, at a minimum, the State's utilization goals for business enterprises established in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act as established for similar infrastructure projects in the State. The private entity will establish and manage a comprehensive Targeted Business and Workforce Participation Program for the Civic and Transit Infrastructure Project that establishes definitive goals and objectives associated with the professional and construction services, contracts entered into, and hours of the workforce employed in the development of the Civic and Transit Infrastructure Project. The Targeted Business and Workforce Participation Program will emphasize the expansion of business capacity and workforce opportunity that can be sustained among minority, women, disabled, and veteran businesses and individuals that are contracted or employed under the Targeted Business and Workforce Participation Program developed for the Civic and Transit Infrastructure Project.

(f) The utilization of a portion of the State's sales tax to repay the cost of its public-private partnership with the private entity for the development, financing, construction, operation, and management of the Civic and Transit Infrastructure Project is of benefit to the State for the reasons that the State would not otherwise derive the revenue from the Civic and Transit Infrastructure Project, or the private development on and adjacent to the Civic and Transit Infrastructure Project, without the public-private partnership, and the State or a political subdivision thereof will ultimately own the Civic and Transit Infrastructure Project.

(g) It is found and declared that the implementation of the Civic and Transit Infrastructure Project through a public-private partnership as provided under this Act has the ability to reduce unemployment in the State, create new jobs, expand the business and workforce capacity among minority, woman, disabled and veteran businesses and individuals, improve mobility and opportunity for the People of the State of Illinois, and, by the provision of new public infrastructure and private development, greatly enhance the overall tax base and strengthen the economy of the State.

(h) In order to provide for flexibility in meeting the financial, design, engineering, and construction needs of the State, and its agencies and departments, and in order to provide continuing and adequate financing for the Civic and Transit Infrastructure Project on favorable terms, the delegations of authority to the public agency, the State Comptroller, the State Treasurer and other officers of the State that are contained in this Act are necessary and desirable.

Section 25-10. Definitions. As used in this Act:

"Civic and Transit Infrastructure Project" or "civic build" or "Project" means civic infrastructure, whether publicly or privately owned, located in the City of Chicago, generally within the boundaries of

East 14th Street; extending east to Lake Shore Drive; south to McCormick Place's North Building; west to the outer boundary of the McCormick Place busway and, where it extends farther west, the St. Charles Airline; northwest to South Indiana Avenue; north to East 15th Place; east to the McCormick Place busway; and north to East 14th Street, in total comprising approximately 34 acres, including, without limitation: (1) streets, roadways, pedestrian ways, commuter linkages and circulator transit systems, bridges, tunnels, overpasses, bus ways, and guideways connected to or adjacent to the Project; (2) utilities systems and related facilities, utility relocations and replacements, utility-line extensions, network and communication systems, streetscape improvements, drainage systems, sewer and water systems, subgrade structures and associated improvements; (3) landscaping, facade construction and restoration, wayfinding, and signage; (4) public transportation and transit facilities and related infrastructure, vehicle parking facilities, and other facilities that encourage intermodal transportation and public transit connected to or adjacent to the Project; (5) railroad infrastructure, stations, maintenance and storage facilities; (6) parks, plazas, atriums, civic and cultural facilities, community and recreational facilities, facilities to promote tourism and hospitality, educational facilities, conferencing and conventions, broadcast and related multimedia infrastructure, destination and community retail, dining and entertainment facilities; and (7) other facilities with the primary purpose of attracting and fostering economic development within the area of the Civic and Transit Infrastructure Project by generating additional tax base, all as agreed upon in a public private agreement. "Civic build" includes any improvements or substantial enhancements or modifications to civic infrastructure located on or connected or adjacent to the Civic and Transit Infrastructure Project. "Civic Build" does not include commercial office, residential, or hotel facilities, or any retail, dining, and entertainment included within such facilities as part of a Private Build, constructed on or adjacent to the civic build.

"Civic build cost" means all costs of the civic build, as specified in the public-private agreement, and includes, without limitation, the cost of the following activities as part of the Civic and Transit Infrastructure Project: (1) acquiring or leasing real property, including air rights, and other assets associated with the Project; (2) demolishing, repairing, or rehabilitating buildings; (3) remediating land and buildings as required to prepare the property for development; (4) installing, constructing, or reconstructing, elements of civic infrastructure required to support the overall Project, including, without limitation, streets, roadways, pedestrian ways and commuter linkages, utilities systems and related facilities, utility relocations and replacements, network and communication systems, streetscape improvements, drainage systems, sewer and water systems, subgrade structures and associated improvements, landscaping, facade construction and restoration, wayfinding and signage, and other components of community infrastructure; (5) acquiring, constructing or reconstructing, and equipping transit stations, parking facilities, and other facilities that encourage intermodal transportation and public transit; (6) installing, constructing or reconstructing, and equipping core elements of civic infrastructure to promote and encourage economic development, including, without limitation, parks, cultural facilities, community and recreational facilities, facilities to promote tourism and hospitality, educational facilities, conferencing and conventions, broadcast and related multimedia infrastructure, destination and community retail, dining and entertainment facilities, and other facilities with the primary purpose of attracting and fostering economic development within the area by generating a new tax base; (7) providing related improvements, including, without limitation, excavation, earth retention, soil stabilization and correction, site improvements, and future capital improvements and expenses; (8) planning, engineering, legal, marketing, development, insurance, finance, and other related professional services and costs associated with the civic build; and (9) the commissioning or operational start-up of any component of the civic build.

"Develop" or "development" means to do one or more of the following: plan, design, develop, lease, acquire, install, construct, reconstruct, repair, rehabilitate, replace, or extend the Civic and Transit Infrastructure Project as provided under this Act.

"Maintain" or "maintenance" includes ordinary maintenance, repair, rehabilitation, capital maintenance, maintenance replacement, and other categories of maintenance that may be designated by the public-private agreement for the Civic and Transit Infrastructure Project as provided under this Act.

"Operate" or "operation" means to do one or more of the following: maintain, improve, equip, modify, or otherwise operate the Civic and Transit Infrastructure Project as provided under this Act.

"Private build" means all commercial, industrial or residential facilities, or property that is not included in the definition of civic build. The private build may include commercial office, residential, educational, health and wellness, or hotel facilities constructed on or adjacent to the civic build, and retail, dining, and entertainment facilities that are not included as part of the civic build under the public-private agreement.

"Private entity" means any private entity associated with the Civic and Transit Infrastructure Project at the time of execution and delivery of a public-private agreement, and its successors or assigns. The private

entity may enter into a public-private agreement with the public agency on behalf of the State for the development, financing, construction, operational, or management of the Civic and Transit Infrastructure Project under this Act.

"Public agency" means the Governor's Office of Management and Budget.

"Public private agreement" or "agreement" means one or more agreements or contracts entered into between the public agency on behalf of the State and private entity, and all schedules, exhibits, and attachments thereto, entered into under this Act for the development, financing, construction, operation, or management of the Civic and Transit Infrastructure Project, whereby the private entity will develop, finance, construct, own, operate, and manage the Project for a definite term in return for the right to receive the revenues generated from the Project and other required payments from the State, including, but not limited to, a portion of the State sales taxes, as provided under this Act.

"Revenues" means all revenues, including, but not limited to, income user fees; ticket fees; earnings, interest, lease payments, allocations, moneys from the federal government, grants, loans, lines of credit, credit guarantees, bond proceeds, equity investments, service payments, or other receipts arising out of or in connection with the financing, development, construction, operation, and management of the Project under this Act. "Revenues" does not include the State payments to the Civic and Transit Infrastructure Fund as required under this Act.

"State" means the State of Illinois.

"User fees" means the tolls, rates, fees, or other charges imposed by the State or private entity for use of all or part of the civic build.

Section 25-15. Formation of the public-private agreement.

(a) In consideration of the requirements of this Act and in order to enable the State to facilitate the development, financing, construction, management, and operation of Civic and Transit Infrastructure Projects, a public agency shall have the authority and shall take all necessary steps to enter into a public-private agreement with a private entity to develop, finance, construct, operate, and manage Civic and Transit Infrastructure Projects. Prior to negotiating the public-private agreement, the public agency shall have the authority to take all necessary steps to enter into interim agreements with the private entity to facilitate the negotiations for the public-private agreement consistent with this Act.

(b) The public agency shall serve as a fiduciary to the State in entering into the public-private agreement with the private entity.

(c) The public agency may retain such experts and advisors as are necessary to fulfill its duties and responsibilities under this Act and may rely upon existing third-party reports and analyses related to the Civic and Transit Infrastructure Project. The public agency may expend funds as necessary to facilitate negotiating and entering into a public-private agreement.

(d) The public agency shall have the authority to adopt rules to facilitate the administration of the public-private agreement entered into consistent with this Act.

(e) The term of the public-private agreement, including all extensions, shall be no more than 75 years. The term of a public-private agreement may be extended by the public agency if it deems that such extension is in the best interest of the State.

(f) Except as otherwise provided under this Act, the Civic and Transit Infrastructure Project shall be subject to all applicable planning requirements otherwise required by the State or local law, including land use planning, regional planning, transportation planning, and environmental compliance requirements.

(g) The public agency shall be responsible for fulfilling all required obligations related to any requests for disclosure of records related to the public business of the public agency and expenditure of State moneys under this Act pursuant to the Freedom of Information Act.

(h) The public-private agreement shall require the private entity to enter into a project labor agreement.

Section 25-20. Provisions of the public-private agreement. The public-private agreement shall include at a minimum all of the following provisions:

(1) the term of the public private agreement;

(2) a detailed description of the civic build, including the retail, dining, and entertainment components of the civic build and a general description of the anticipated future private build;

(3) the powers, duties, responsibilities, obligations, and functions of the public agency and private entity;

(4) compensation or payments, including any reimbursement for work performed and goods or services provided, if any, owed to the public agency as the administrator of the public-private agreement on behalf of the State, as specified in the public-private agreement;

(5) compensation or payments to the private entity for civic build costs, plus any required debt service payments for the civic build, debt service reserves or sinking funds, financing costs, payments for operation and management of the civic build, payments representing the reasonable return on the private equity investment in the civic build, and payments in respect of the public use of private land, air rights, or other real property interests for the civic build;

(6) a provision granting the private entity with the express authority to structure, negotiate, and execute contracts and subcontracts with third parties to enable the private entity to carry out its duties, responsibilities and obligations under this Act relating to the development, financing, construction, management, and operation of the civic build;

(7) a provision imposing an affirmative duty on the private entity to provide the public agency with any information the private entity reasonably believes the public agency would need related to the civic build to enable the public agency to exercise its powers, carry out its duties, responsibilities, and obligations, and perform its functions under this Act or the public-private agreement;

(8) a provision requiring the private entity to provide the public agency with advance notice of any decision that has a material adverse impact on the public interest related to the civic build so that the public agency has a reasonable opportunity to evaluate that decision;

(9) a requirement that the public agency monitor and oversee the civic build and take action that the public agency considers appropriate to ensure that the private entity is in compliance with the terms of the public private agreement;

(10) the authority to impose user fees and the amounts of those fees, if applicable, related to the civic build subject to agreement with the private entity;

(11) a provision stating that the private entity shall have the right to all revenues generated from the civic build until such time that the State takes ownership over the civic build, at which point the State shall have the right to all revenues generated from the civic build, except as set forth in Section 45;

(12) a provision governing the rights to real and personal property of the State, the public agency, the private entity, and other third parties, if applicable, relating to the civic build, including, but not limited to, a provision relating to the State's ability to exercise an option to purchase the civic build at varying milestones of the Project agreed to amongst the parties in the public private agreement and consistent with Section 45 of this Act;

(13) a provision regarding the implementation and delivery of certain progress reports related to cost, timelines, deadlines, and scheduling of the civic build;

(14) procedural requirements for obtaining the prior approval of the public agency when rights that are the subject of the public-private agreement relating to the civic build, including, but not limited to, development rights, construction rights, property rights, and rights to certain revenues, are sold, assigned, transferred, or pledged as collateral to secure financing or for any other reason;

(15) grounds for termination of the public-private agreement by the public agency and the private entity;

(16) review of plans, including development, construction, management, or operations plans by the public agency related to the civic build;

(17) inspections by the public agency, including inspections of construction work and improvements, related to the civic build;

(18) rights and remedies of the public agency in the event that the private entity defaults or otherwise fails to comply with the terms of the public-private agreement and the rights and remedies of the private entity in the event that the public agency defaults or otherwise fails to comply with the terms of the public-private agreement;

(19) a code of ethics for the private entity's officers and employees;

(20) maintenance of public liability insurance or other insurance requirements related to the civic build;

(21) provisions governing grants and loans, including those received, or anticipated to be received, from the federal government or any agency or instrumentality of the federal government or from any State or local agency;

(22) the private entity's targeted business and workforce participation program to meet the State's utilization goals for business enterprises and workforce involving minorities, women, persons with disabilities, and veterans;

(23) a provision regarding the rights of the public agency and the State following completion of the civic build and transfer to the State consistent with Section 45 of this Act;

- (24) a provision detailing the Project's projected long-range economic impacts, including projections of new spending, construction jobs, and permanent, full-time equivalent jobs;
- (25) a provision detailing the Project's projected support for regional and statewide transit impacts, transportation mode shifts, and increased transit ridership;
- (26) a provision detailing the Project's projected impact on increased convention and events visitation;
- (27) procedures for amendment to the public-private agreement;
- (28) a provision detailing the processes and procedures that will be followed for contracts and purchases for the civic build; and
- (29) all other terms, conditions, and provisions acceptable to the public agency that the public agency deems necessary and proper and in the best interest of the State and the public.

Section 25-25. Removal of private entity executive employees. The public agency shall have the authority to seek the removal of any executive employee of the private entity from the Project if the executive employee is found guilty of any criminal offense related to the conduct of its business or the regulation thereof in any jurisdiction during the term of the public-private agreement. The public agency shall have the additional authority to approve the successor to the removed executive employee in the event the executive employee is removed from the Project and that approval shall not be unreasonably withheld consistent with the terms of this Section. For purposes of this Section, an "executive employee" is the President, Chairman, Chief Executive Officer, or Chief Financial Officer of the private entity.

Section 25-30. Public agency reporting requirements. The public agency shall submit an annual report to the General Assembly with respect to actions taken by the public agency to implement and administer the provisions of this Act, and shall respond promptly in writing to all inquiries of the General Assembly with respect to the public agency's implementation and administration of this Act.

Section 25-35. Public agency publication requirements. The public agency shall publish a notice of the execution of the public-private agreement on its website and shall publish the full text of the public-private agreement on its website.

Section 25-40. Financial arrangements.

(a) The public agency may apply for, execute, or endorse applications submitted by the private entity to obtain federal, State, or local credit assistance to develop, maintain, or operate the Project.

(b) The private entity may take any action to obtain federal, State, or local assistance for the civic build that serves the public purpose of this Act and may enter into any contracts required to receive the assistance. The public agency shall take all reasonable steps to support action by the private entity to obtain federal, State, or local assistance for the civic build. The assistance may include, but not be limited to, federal credit assistance pursuant to Railroad Rehabilitation and Improvement Financing and the Transportation Infrastructure Finance and Innovation Act. In the event the private entity obtains federal, State, or local assistance for the civic build that serves the public purpose of this Act, the financial assistance shall reduce the State's required payments under this Act on terms as mutually agreed to by the parties in the public-private agreement.

(c) Any financing of the civic build costs may be in the amounts and subject to the terms and conditions contained in the public-private agreement.

(d) For the purpose of financing or refinancing the civic build costs, the private entity and the public agency may do the following: (1) enter into grant agreements; (2) accept grants from any public or private agency or entity; (3) receive the required payments from the State under this Act; and (4) receive any other payments or monies permitted under this Act or agreed to by the parties in the public-private agreement.

(e) For the purpose of financing or refinancing the civic build, public funds may be used and mixed and aggregated with private funds provided by or on behalf of the private entity or other private entities. However, that the required payments from the State under Sections 50 and 55 of this Act shall be solely used for civic build costs, plus debt service requirements of the civic build, debt service reserves or sinking funds, financing costs, payments for operation and management of the civic build, payments representing the reasonable return on the private equity investment in the civic build, and payments in respect of the public use of private land, air rights, or other real property interests for the civic build, if applicable.

(f) The public agency is authorized to facilitate conduit tax-exempt or taxable debt financing, if agreed to between the public agency and the private entity.

Section 25-45. Term of agreement; transfer of the civic build to the State. Following the completion of the Project and the termination of the public-private agreement, the private entity's authority and duties under the public-private agreement shall cease, except for those duties and obligations that extend beyond the termination, as set forth in the public private agreement, which may include ongoing management and operations of the civic build, and all interests and ownership in the civic build shall transfer to the State; provided that the State has made all required payments to the private entity as required under this Act and the public-private agreement. The State may also exercise an option to not accept its interest and ownership in the civic build. In the event the State exercises its option to not accept its interest and ownership in the civic build, the private entity shall maintain its interest and ownership in the civic build and shall have the authority to maintain, further develop, encumber, or sell the civic build consistent with its authority as the owner of the civic build. In the event the State exercises its option to have its interest and ownership in the civic build after all required payments have been made to the private entity consistent with the public-private agreement and this Act, the private entity shall have the authority to enter into an operating agreement with the public agency, on such terms that are reasonable and customary for operating agreements, to operate and manage the civic build for an annual operator fee and payment from the State representing a portion of the net operating income of the civic build as further defined and described in the public private agreement between the private entity and the public agency.

Section 25-50. Payment to the private entity.

(a) Notwithstanding anything in the public private agreement to the contrary: (1) the civic build cost shall not exceed a total of \$3,800,000,000; and (2) no State equity payment shall be made prior to State fiscal year 2024 or prior to completion of the civic build.

(b) The public agency shall be required to take all steps necessary to facilitate the required payments to the Civic and Transit Infrastructure Fund as set forth in Section 3 of the Retailers' Occupation Tax and Section 8.25g of the State Finance Act.

Section 25-55. The Civic and Transit Infrastructure Fund. The Civic and Transit Infrastructure Fund is created as a special fund in the State Treasury. All moneys transferred to the Civic and Transit Infrastructure Fund pursuant to Section 8.25g of the State Finance Act, Section 3 of the Retailers' Occupation Act, and this Act shall be used only for the purposes authorized by and subject to the limitations and conditions of this Act and the public private agreement entered into by private entity and the public agency on behalf of the State. All payments required under such Acts shall be direct, limited obligations of the State of Illinois payable solely from and secured by an irrevocable, first priority pledge of and lien on moneys on deposit in the Civic and Transit Infrastructure Fund. The State of Illinois hereby pledges the applicable sales tax revenues consistent with the State Finance Act and this Act for the time period provided in the public private agreement between the private entity and the Authority, on behalf of the State. Moneys in the Civic and Transit Infrastructure Fund shall be utilized by the public agency on behalf of the State to pay the private entity for the development, financing, construction, operation and management of the civic and transit infrastructure project consistent with this Act and the public private agreement. Investment income, if any, which is attributable to the investment of moneys in the Civic and Transit Infrastructure Fund shall be retained in the Fund for any required payment to the private entity under this Act and the public private agreement.

Section 25-60. Additional Powers of the public agency. The public agency may exercise any powers provided under this Act to facilitate the public-private agreement with the private entity. The public agency, the State, or any State agency and its officers may not take any action that would impair the public-private agreement entered into under this Act, except as provided by law.

Section 25-70. Powers liberally construed. The powers conferred by this Act shall be liberally construed in order to accomplish their purposes and shall be in addition and supplemental to the powers conferred by any other law. If any other law or rule is inconsistent with this Act, this Act is controlling as to the public-private agreement entered into under this Act.

Section 25-75. Full and complete authority. This Act contains full and complete authority for agreements and leases with the private entity to carry out the activities described in this Act. Except as otherwise required by law, no procedure, proceedings, publications, notices, consents, approvals, orders, or acts by the public agency or any other State or local agency or official are required to enter into an agreement or lease under this Act.

Section 25-97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 25-100. The State Finance Act is amended by adding Sections 5.897 and 8.25g as follows:

(30 ILCS 105/5.897 new)

Sec. 5.897. The Civic and Transit Infrastructure Fund.

(30 ILCS 105/8.25g new)

Sec. 8.25g. The Civic and Transit Infrastructure Fund. The Civic and Transit Infrastructure Fund is created as a special fund in the State Treasury. Money in the Civic and Transit Infrastructure Fund shall, when the State of Illinois incurs infrastructure indebtedness pursuant to the public private partnership entered into by the public agency on behalf of the State of Illinois with private entity pursuant to the Public-Private Partnership for Civic and Transit Infrastructure Project Act enacted in this amendatory Act of the 101th General Assembly, be used for the purpose of paying and discharging monthly the principal and interest on that infrastructure indebtedness then due and payable consistent with the term established in the public private agreement entered into by the public agency on behalf of the State of Illinois. The public agency shall, pursuant to its authority under the Public-Private Partnership for Civic and Transit Infrastructure Project Act, annually certify to the State Comptroller and the State Treasurer the amount necessary and required, during the fiscal year with respect to which the certification is made, to pay the amounts due under the Public-Private Partnership for Civic and Transit Infrastructure Project Act. On or before the last day of each month, the State Comptroller and State Treasurer shall transfer the moneys required to be deposited into the Fund under Section 3 of the Retailers' Occupation Tax Act and the Public-Private Partnership for Civic and Transit Infrastructure Project Act and shall pay from that Fund the required amount certified by the public agency, plus any cumulative deficiency in such transfers and payments for prior months, to the public agency for distribution pursuant to the Public-Private Partnership for Civic and Transit Infrastructure Project Act. Such transferred amount shall be sufficient to pay all amounts due under the Public-Private Partnership for Civic and Transit Infrastructure Project Act. Provided that all amounts deposited in the Fund have been paid accordingly under the Public-Private Partnership for Civic and Transit Infrastructure Project Act, all amounts remaining in the Civic and Transit Infrastructure Fund shall be held in that Fund for other subsequent payments required under the Public-Private Partnership for Civic and Transit Infrastructure Project Act. In the event the State fails to pay the amount necessary and required under the Public-Private Partnership for Civic and Transit Infrastructure Project Act for any reason during the fiscal year with respect to which the certification is made or if the State takes any steps that result in an impact to the irrevocable, first priority pledge of and lien on moneys on deposit in the Civic and Transit Infrastructure Fund, the public agency shall certify such delinquent amounts to the State Comptroller and the State Treasurer and the State Comptroller and the State Treasurer shall take all steps required to intercept the tax revenues collected from within the boundary of the civic transit infrastructure project pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, Section 4.03 of the Regional Transportation Authority Act and Section 6 of the Hotel Operators' Occupation Tax Act, and shall pay such amounts to the Fund for distribution by the public agency for the time-period required to ensure that the State's distribution requirements under the Public-Private Partnership for Civic and Transit Infrastructure Project Act are fully met.

As used in the Section, "private entity", "private public agreement", and "public agency" have meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

Section 25-105. The Use Tax Act is amended by changing Section 9 as follows:

(35 ILCS 105/9) (from Ch. 120, par. 439.9)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of

registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A retailer need not remit that part of any tax collected by him to the extent that he is required to remit and does remit the tax imposed by the Retailers' Occupation Tax Act, with respect to the sale of the same property.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the retailer, in collecting the tax (except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State), may collect for each tax return period, only the tax applicable to that part of the selling price actually received during such tax return period.

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require. On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown

by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February, and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this Section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

The transaction reporting return in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due

from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the date of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the tax that is imposed by this Act may be transmitted to the Department by way of the State agency with which, or State officer with whom, the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer, and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Where a retailer collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the retailer refunds the selling price thereof to the purchaser, such retailer shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the retailer may deduct the amount of the tax so refunded by him to the purchaser from any other use tax which such retailer may be required to pay or remit to the Department, as shown by such return, if the amount of the tax to be deducted was previously remitted to the Department by such retailer. If the retailer has not previously remitted the amount of such tax to the Department, he is entitled to no deduction under this Act upon refunding such tax to the purchaser.

Any retailer filing a return under this Section shall also include (for the purpose of paying tax thereon) the total tax covered by such return upon the selling price of tangible personal property purchased by him at retail from a retailer, but as to which the tax imposed by this Act was not collected from the retailer filing such return, and such retailer shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable retailers, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the retailer has more than one business registered with the Department under separate registration under this Act, such retailer may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury, 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Retailers' Occupation Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount

equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000

2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Subject to successful execution and delivery of a public private agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim and charge set forth in Section 55 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act. As used in this paragraph, "civic build", "private entity", "private public agreement", and "public agency" have meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year.....	Total Deposit
2024.....	\$200,000,000
2025.....	\$206,000,000
2026.....	\$212,200,000
2027.....	\$218,500,000
2028.....	\$225,100,000
2029.....	\$288,700,000
2030.....	\$298,900,000
2031.....	\$309,300,000
2032.....	\$320,100,000
2033.....	\$331,200,000
2034.....	\$341,200,000
2035.....	\$351,400,000
2036.....	\$361,900,000
2037.....	\$372,800,000
2038.....	\$384,000,000
2039.....	\$395,500,000
2040.....	\$407,400,000
2041.....	\$419,600,000
2042.....	\$432,200,000
2043.....	\$445,100,000

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 25-110. The Service Use Tax Act is amended by changing Section 9 as follows:
(35 ILCS 110/9) (from Ch. 120, par. 439.39)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

If the serviceman is otherwise required to file a monthly return and if the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman is otherwise required to file a monthly or quarterly return and if the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

Any serviceman filing a return hereunder shall also include the total tax upon the selling price of tangible personal property purchased for use by him as an incident to a sale of service, and such serviceman shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Service Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registration hereunder, such serviceman shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Tax Reform Fund, a special fund in the State Treasury, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State

fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, this Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000

2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and
each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business.

[June 2, 2019]

For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Subject to successful execution and delivery of a public private agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim and charge set forth in Section 55 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act. As used in this paragraph, "civic build", "private entity", "private public agreement", and "public agency" have meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

<u>Fiscal Year</u>	<u>Total Deposit</u>
<u>2024</u>	<u>\$200,000,000</u>
<u>2025</u>	<u>\$206,000,000</u>
<u>2026</u>	<u>\$212,200,000</u>
<u>2027</u>	<u>\$218,500,000</u>
<u>2028</u>	<u>\$225,100,000</u>
<u>2029</u>	<u>\$288,700,000</u>
<u>2030</u>	<u>\$298,900,000</u>
<u>2031</u>	<u>\$309,300,000</u>
<u>2032</u>	<u>\$320,100,000</u>
<u>2033</u>	<u>\$331,200,000</u>
<u>2034</u>	<u>\$341,200,000</u>
<u>2035</u>	<u>\$351,400,000</u>
<u>2036</u>	<u>\$361,900,000</u>
<u>2037</u>	<u>\$372,800,000</u>
<u>2038</u>	<u>\$384,000,000</u>
<u>2039</u>	<u>\$395,500,000</u>
<u>2040</u>	<u>\$407,400,000</u>
<u>2041</u>	<u>\$419,600,000</u>
<u>2042</u>	<u>\$432,200,000</u>
<u>2043</u>	<u>\$445,100,000</u>

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to

the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 25-115. The Service Occupation Tax Act is amended by changing Section 9 as follows:
(35 ILCS 115/9) (from Ch. 120, par. 439.109)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the serviceman, in collecting the tax may collect, for each tax return period, only the tax applicable to the part of the selling price actually received during such tax return period.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable rules and regulations to be promulgated by the Department of Revenue. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Prior to October 1, 2003, and on and after September 1, 2004 a serviceman may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Service Use Tax as provided in Section 3-70 of the Service Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-70 of the Service Use Tax Act. A Manufacturer's Purchase Credit certification, accepted prior to October 1, 2003 or on or after September 1, 2004 by a serviceman as provided in Section 3-70 of the Service Use Tax Act, may be used by that serviceman to satisfy Service Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchase Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after

September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

If the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Where a serviceman collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Occupation Tax, Service Use Tax, Retailers' Occupation Tax or Use Tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, the Use Tax Act or the Service Use Tax Act, to furnish all the return information required by all said Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registrations hereunder, such serviceman shall file separate returns for each registered business.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, this Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the

Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000

and

each fiscal year
thereafter that bonds

[June 2, 2019]

are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Subject to successful execution and delivery of a public private agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim and charge set forth in Section 55 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act. As used in this paragraph, "civic build", "private entity", "private public agreement", and "public agency" have meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

Fiscal Year.....	Total Deposit
2024.....	\$200,000,000
2025.....	\$206,000,000
2026.....	\$212,200,000

2027.....	\$218,500,000
2028.....	\$225,100,000
2029.....	\$288,700,000
2030.....	\$298,900,000
2031.....	\$309,300,000
2032.....	\$320,100,000
2033.....	\$331,200,000
2034.....	\$341,200,000
2035.....	\$351,400,000
2036.....	\$361,900,000
2037.....	\$372,800,000
2038.....	\$384,000,000
2039.....	\$395,500,000
2040.....	\$407,400,000
2041.....	\$419,600,000
2042.....	\$432,200,000
2043.....	\$445,100,000

Of the remainder of the moneys received by the Department pursuant to this Act, 75% shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The foregoing portion of this Section concerning the filing of an annual information return shall not apply to a serviceman who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, it shall be permissible for manufacturers, importers and wholesalers whose products are sold by numerous servicemen in Illinois, and who wish to do so, to assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect

to such sales, if the servicemen who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 25-120. The Retailers' Occupation Tax is amended by changing Section 3 as follows:
(35 ILCS 120/3) (from Ch. 120, par. 442)

Sec. 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at retail in this State during the preceding calendar month shall file a return with the Department, stating:

1. The name of the seller;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;
4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;
5. Deductions allowed by law;
6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;
7. The amount of credit provided in Section 2d of this Act;
8. The amount of tax due;
9. The signature of the taxpayer; and
10. Such other reasonable information as the Department may require.

On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Each return shall be accompanied by the statement of prepaid tax issued pursuant to Section 2e for which credit is claimed.

Prior to October 1, 2003, and on and after September 1, 2004 a retailer may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Use Tax as provided in Section 3-85 of the Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit certification, accepted by a retailer prior to October 1, 2003 and on and after September 1, 2004 as provided in Section 3-85 of the Use Tax Act, may be used by that retailer to satisfy Retailers' Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchaser Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;

4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.

Beginning on October 1, 2003, any person who is not a licensed distributor, importing distributor, or manufacturer, as defined in the Liquor Control Act of 1934, but is engaged in the business of selling, at retail, alcoholic liquor shall file a statement with the Department of Revenue, in a format and at a time prescribed by the Department, showing the total amount paid for alcoholic liquor purchased during the preceding month and such other information as is reasonably required by the Department. The Department may adopt rules to require that this statement be filed in an electronic or telephonic format. Such rules may provide for exceptions from the filing requirements of this paragraph. For the purposes of this paragraph, the term "alcoholic liquor" shall have the meaning prescribed in the Liquor Control Act of 1934.

Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

If a total amount of less than \$1 is payable, refundable or creditable, such amount shall be disregarded if it is less than 50 cents and shall be increased to \$1 if it is 50 cents or more.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Any amount which is required to be shown or reported on any return or other document under this Act shall, if such amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount in any case where the fractional part of a dollar is 50 cents or more, and decreased to the nearest whole-dollar amount where the fractional part of a dollar is less than 50 cents.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability with the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

Where the same person has more than one business registered with the Department under separate registrations under this Act, such person may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this Section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle retailer or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 2-5 of this Act, then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

Any retailer who sells only motor vehicles, watercraft, aircraft, or trailers that are required to be registered with an agency of this State, so that all retailers' occupation tax liability is required to be reported, and is reported, on such transaction reporting returns and who is not otherwise required to file monthly or quarterly returns, need not file monthly or quarterly returns. However, those retailers shall be required to file returns on an annual basis.

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft or aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax may be transmitted to the Department by way of the State agency with which, or State officer with whom the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a use tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

Where the seller is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.

Where the seller is a limited liability company, the return filed on behalf of the limited liability company shall be signed by a manager, member, or properly accredited agent of the limited liability company.

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for

retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter

monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to September 1, 1985 (the effective date of Public Act 84-221), each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of \$20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than \$20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

If a retailer of motor fuel is entitled to a credit under Section 2d of this Act which exceeds the taxpayer's liability to the Department under this Act for the month which the taxpayer is filing a return, the Department shall issue the taxpayer a credit memorandum for the excess.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to this Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as hereinafter defined), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; the "Annual Specified Amount" means the amounts specified below for fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000

1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000

2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation

Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Subject to successful execution and delivery of a public private agreement between the public agency and private entity and completion of the civic build, beginning on July 1, 2023, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, the Department shall deposit the following specified deposits in the aggregate from collections under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, as required under Section 8.25g of the State Finance Act for distribution consistent with the Public-Private Partnership for Civic and Transit Infrastructure Project Act. The moneys received by the Department pursuant to this Act and required to be deposited into the Civic and Transit Infrastructure Fund are subject to the pledge, claim and charge set forth in Section 55 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act. As used in this paragraph, "civic build", "private entity", "private public agreement", and "public agency" have meanings provided in Section 25-10 of the Public-Private Partnership for Civic and Transit Infrastructure Project Act.

<u>Fiscal Year</u>	<u>Total Deposit</u>
<u>2024</u>	<u>\$200,000,000</u>
<u>2025</u>	<u>\$206,000,000</u>
<u>2026</u>	<u>\$212,200,000</u>
<u>2027</u>	<u>\$218,500,000</u>
<u>2028</u>	<u>\$225,100,000</u>
<u>2029</u>	<u>\$288,700,000</u>
<u>2030</u>	<u>\$298,900,000</u>
<u>2031</u>	<u>\$309,300,000</u>
<u>2032</u>	<u>\$320,100,000</u>
<u>2033</u>	<u>\$331,200,000</u>
<u>2034</u>	<u>\$341,200,000</u>
<u>2035</u>	<u>\$351,400,000</u>
<u>2036</u>	<u>\$361,900,000</u>
<u>2037</u>	<u>\$372,800,000</u>
<u>2038</u>	<u>\$384,000,000</u>
<u>2039</u>	<u>\$395,500,000</u>
<u>2040</u>	<u>\$407,400,000</u>
<u>2041</u>	<u>\$419,600,000</u>
<u>2042</u>	<u>\$432,200,000</u>
<u>2043</u>	<u>\$445,100,000</u>

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The provisions of this Section concerning the filing of an annual information return do not apply to a retailer who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

Any person who promotes, organizes, provides retail selling space for concessionaires or other types of sellers at the Illinois State Fair, DuQuoin State Fair, county fairs, local fairs, art shows, flea markets and similar exhibitions or events, including any transient merchant as defined by Section 2 of the Transient Merchant Act of 1987, is required to file a report with the Department providing the name of the merchant's business, the name of the person or persons engaged in merchant's business, the permanent address and Illinois Retailers Occupation Tax Registration Number of the merchant, the dates and location of the event and other reasonable information that the Department may require. The report must be filed not later than the 20th day of the month next following the month during which the event with retail sales was held. Any person who fails to file a report required by this Section commits a business offense and is subject to a fine not to exceed \$250.

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

ARTICLE 30. REBUILD ILLINOIS GRANT PROGRAM

Section 30-1. Short title. This Article may be cited as the Rebuild Illinois Grant Program Act. References in this Article to "this Act" mean this Article.

Section 30-5. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by adding Section 605-1025 as follows:

(20 ILCS 605/605-1025 new)

Sec. 605-1025. Human Services Capital Investment Grant Program.

(a) The Department of Commerce and Economic Opportunity, in coordination with the Department of Human Services, shall establish a Human Services Capital Investment Grant Program. The Department shall, subject to appropriation, make capital improvement grants to human services providers serving low-income or marginalized populations. The Build Illinois Bond Fund shall be the source of funding for the program. Eligible grant recipients shall be human services providers that offer facilities and services in a manner that supports and fulfills the mission of Department of Human Services. Eligible grant recipients include but are not limited to, domestic violence shelters, rape crisis centers, comprehensive youth services, teen REACH providers, supportive housing providers, developmental disability community providers, behavioral health providers, and other community-based providers. Eligible grant recipients have no entitlement to a grant under this Section.

(b) The Department, in consultation with the Department of Human Services, shall adopt rules to implement this Section and shall create a competitive application procedure for grants to be awarded. The rules shall specify the manner of applying for grants; grantee eligibility requirements; project eligibility requirements; restrictions on the use of grant moneys; the manner in which grantees must account for the use of grant moneys; and any other provision that the Department of Commerce and Economic Opportunity or Department of Human Services determine to be necessary or useful for the administration of this Section. Rules may include a requirement for grantees to provide local matching funds in an amount equal to a specific percentage of the grant.

(c) The Department of Human Services shall establish standards for determining the priorities concerning the necessity for capital facilities for the provision of human services based on data available to the Department.

(d) No portion of a human services capital investment grant awarded under this Section may be used by a grantee to pay for any on-going operational costs or outstanding debt.

Section 30-10. The Department of Transportation Law of the Civil Administrative Code of Illinois is amended by changing Section 2705-285 as follows:

(20 ILCS 2705/2705-285) (was 20 ILCS 2705/49.06b)

Sec. 2705-285. Ports and waterways.

(a) The Department has the power to undertake port and waterway development planning and studies of port and waterway development problems and to provide technical assistance to port districts and units of local government in connection with port and waterway development activities. The Department may provide financial assistance for the ordinary and contingent expenses of port districts upon the terms and conditions that the Department finds necessary to aid in the development of those districts.

(b) The Department shall coordinate all its activities under this Section with the Department of Commerce and Economic Opportunity.

(c) The Department, in coordination with the Department of Commerce and Economic Opportunity, shall establish a Port Facilities Capital Investment Grant Program. The Department shall, subject to appropriation, make capital improvement grants to port districts. The Multi-modal Transportation Bond Fund shall be the source of funding for the program. Eligible grant recipients shall be public port districts that offer facilities and services in a manner that supports and fulfills the mission of the Department. Eligible grant recipients have no entitlement to a grant under this Section.

(d) The Department, in consultation with the Department of Commerce and Economic Opportunity, shall adopt rules to implement this Section and shall create a competitive application procedure for grants to be awarded. The rules shall specify: the manner of applying for grants; grantee eligibility requirements; project eligibility requirements; restrictions on the use of grant moneys; the manner in which grantees must account for the use of grant moneys; and any other provision that the Department or the Department of Commerce and Economic Opportunity determine to be necessary or useful for the administration of this Section. Rules may include a requirement for grantees to provide local matching funds in an amount equal to a specific percentage of the grant.

(e) The Department of Commerce and Economic Opportunity shall establish standards for determining the priorities concerning the necessity for capital facilities for ports based on data available to the Department.

(f) No portion of a capital investment grant awarded under this Section may be used by a grantee to pay for any on-going operational costs or outstanding debt.

(Source: P.A. 94-793, eff. 5-19-06.)

Section 30-15. The Capital Development Board Act is amended by adding Section 20 as follows:

(20 ILCS 3105/20 new)

Sec. 20. Hospital and Healthcare Transformation Capital Investment Grant Program.

[June 2, 2019]

(a) The Capital Development Board, in coordination with the Department of Healthcare and Family Services, shall establish a Hospital and Healthcare Transformation Capital Investment Grant Program. The Board shall, subject to appropriation, make capital improvement grants to Illinois hospitals licensed under the Hospital Licensing Act and other qualified healthcare providers serving the people of Illinois. The Build Illinois Bond Fund shall be the source of funding for the program. Eligible grant recipients shall be hospitals and other healthcare providers that offer facilities and services in a manner that supports and fulfills the mission of Department of Healthcare and Family Services. Eligible grant recipients have no entitlement to a grant under this Section.

(b) The Capital Development Board, in consultation with the Department of Healthcare and Family Services shall adopt rules to implement this Section and shall create a competitive application procedure for grants to be awarded. The rules shall specify: the manner of applying for grants; grantee eligibility requirements; project eligibility requirements; restrictions on the use of grant moneys; the manner in grantees must account for the use of grant moneys; and any other provision that the Capital Development Board or Department of Healthcare and Family Services determine to be necessary or useful for the administration of this Section. Rules may include a requirement for grantees to provide local matching funds in an amount equal to a certain percentage of the grant.

(c) The Department of Healthcare and Family Services shall establish standards for the determination of priority needs concerning health care transformation based on projects located in communities in the State with the greatest utilization of Medicaid services or underserved communities, including, but not limited to Safety Net Hospitals and Critical Access Hospitals, utilizing data available to the Department.

(d) Nothing in this Section shall exempt nor relieve any healthcare provider receiving a grant under this Section from any requirement of the Illinois Health Facilities Planning Act.

(e) No portion of a healthcare transformation capital investment program grant awarded under this Section may be used by a hospital or other healthcare provider to pay for any on-going operational costs, pay outstanding debt, or be allocated to an endowment or other invested fund.

Section 30-20. The Private Colleges and Universities Capital Distribution Formula Act is amended by changing Sections 25-5, 25-10, and 25-15 and by adding Section 25-7 as follows:

(30 ILCS 769/25-5)

Sec. 25-5. Definitions. In this Act:

"Independent colleges" means non-public, non-profit colleges and universities based in Illinois. The term does not include any institution that primarily or exclusively provided online education services as of the fall 2017 2008 term.

"FTE" means full-time equivalent enrollment based on Fall 2017 2008 Final full-time equivalent enrollment according to the Illinois Board of Higher Education.

(Source: P.A. 96-37, eff. 7-13-09.)

(30 ILCS 769/25-7 new)

Sec. 25-7. Capital Investment Grant Program.

(a) The Capital Development Board, in coordination with the Board of Higher Education, shall establish a Capital Investment Grant Program for independent colleges. The Capital Development Board shall, subject to appropriation, and subject to direction by the Board of Higher Education, make capital improvement grants to independent colleges in Illinois. The Build Illinois Bond Fund shall be the source of funding for the program. Eligible grant recipients shall be independent colleges that offer facilities and services in a manner that supports and fulfills the mission of Board of Higher Education. Eligible grant recipients have no entitlement to a grant under this Section.

(b) The Capital Development Board, in consultation with the Board of Higher Education, shall adopt rules to implement this Section and shall create an application procedure for grants to be awarded. The rules shall specify: the manner of applying for grants; grantee eligibility requirements; project eligibility requirements; restrictions on the use of grant moneys; the manner in which grantees must account for the use of grant moneys; and any other provision that the Capital Development Board or Board of Higher Education determine to be necessary or useful for the administration of this Section.

(c) No portion of an independent college capital investment program grant awarded under this Section may be used by an independent college to pay for any on-going operational costs, pay outstanding debt, or be allocated to an endowment or other invested fund.

(30 ILCS 769/25-10)

Sec. 25-10. Distribution.

(a) This Section Act creates a distribution formula for funds appropriated from the Build Illinois Bond Fund to the Capital Development Board for the Illinois Board of Higher Education for grants to various private colleges and universities awarded pursuant to Section 25-7.

(b) Funds appropriated for this purpose shall be distributed by the ~~Illinois~~ Board of Higher Education through a formula to independent colleges that have been given operational approval by the ~~Illinois~~ Board of Higher Education as of the Fall ~~2017~~ 2008 term. The distribution formula shall have 2 components: a base grant portion of the appropriation and an FTE grant portion of the appropriation. Each independent college shall be awarded both a base grant portion of the appropriation and an FTE grant portion of the appropriation.

(c) The ~~Illinois~~ Board of Higher Education shall distribute moneys appropriated for this purpose to independent colleges based on the following base grant criteria: for each independent college reporting between 1 and 200 FTE a base grant amount of \$200,000 shall be set awarded; for each independent college reporting between 201 and 500 FTE a base grant amount of \$1,000,000 shall be set awarded; for each independent college reporting between 501 and 4,000 FTE a base grant amount of \$2,000,000 shall be set awarded; and for each independent college reporting 4,001 or more FTE a base grant amount of \$5,000,000 shall be set awarded.

(d) If appropriations exceed the total aggregate amount of the base grants determined pursuant to subsection (c), then additional grant amounts may be set by the Board of Higher Education. The additional grants ~~The remainder of the moneys appropriated for this purpose~~ shall be distributed by the ~~Illinois~~ Board of Higher Education to each eligible independent college on a per capita basis as determined by the independent college's FTE as reported by the ~~Illinois~~ Board of Higher Education's most recent fall FTE report.

Each eligible independent college, after an appropriation has been enacted, must apply for a Capital Investment Grant in order to be eligible to receive funds under this Program. An independent college may apply for an amount not to exceed the distribution amount determined by the Board of Higher Education pursuant to subsections (c) and (d). shall have up to 10 years from the date of appropriation to access and utilize its awarded amounts. If any independent college does not utilize its full award or a portion thereof after 10 years, the remaining funds shall be re-distributed to other independent colleges on an FTE basis.
(Source: P.A. 98-674, eff. 6-30-14.)

(30 ILCS 769/25-15)

Sec. 25-15. Transfer of funds to another independent college.

(a) If an institution received a grant under this Article and subsequently fails to meet the definition of "independent college", the remaining funds shall be re-distributed as provided in Section 25-10, unless the campus or facilities for which the grant was given are operated by another institution that qualifies as an independent college under this Article.

(b) If the facilities of a former independent college are operated by another entity that qualifies as an independent college as provided in subsection (a) of this Section, then the entire balance of the grant provided under this Article remaining on the date the former independent college ceased operations, including any amount that had been withheld after the former independent college ceased operations, shall be transferred to the successor independent college for the purpose of operating those facilities for the duration of the grant.

(c) In the event that, on or before the effective date of this amendatory Act of the 98th General Assembly, the remaining funds have been re-allocated or re-distributed to other independent colleges, or the Illinois Board of Higher Education has planned for the remaining funds to be re-allocated or re-distributed to other independent colleges, before the 5-year period provided under this Act for the utilization of funds has ended, any funds so re-allocated or re-distributed shall be deducted from future allocations to those other independent colleges and re-allocated or re-distributed to the initial institution or the successor entity operating the facilities of the original institution if: (i) the institution that failed to meet the definition of "independent college" once again meets the definition of "independent college" before the 5-year period has expired; or (ii) the facility or facilities of the former independent college are operated by another entity that qualifies as an independent college before the 5-year period has expired.

(Source: P.A. 98-715, eff. 7-16-14.)

ARTICLE 35. REIMBURSEMENT RATES

Section 35-5. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

[June 2, 2019]

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with

administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public

interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective

date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 this amendatory Act of the 100th General Assembly, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

~~(ff) (ee)~~ In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 this amendatory Act of the 100th General Assembly, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection ~~(ff) (ee)~~. The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection ~~(ff) (ee)~~. The adoption of emergency rules authorized by this subsection ~~(ff) (ee)~~ is deemed to be necessary for the public interest, safety, and welfare.

~~(gg) (ff)~~ In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 this amendatory Act of the 101st General Assembly, emergency rules may be adopted by the Department of Labor in accordance with this subsection ~~(gg) (ff)~~ to implement the changes made by Public Act 101-1 this amendatory Act of the 101st General Assembly to the Minimum Wage Law. The adoption

of emergency rules authorized by this subsection (gg) (~~ff~~) is deemed to be necessary for the public interest, safety, and welfare.

(ii) In order to provide for the expeditious and timely implementation of the provisions of this amendatory Act of the 101st General Assembly, emergency rules to implement the changes made by this amendatory Act of the 101st General Assembly to Sections 5-5.4 and 5-5.4i of the Illinois Public Aid Code may be adopted in accordance with this subsection (ii) by the Department of Public Health. The adoption of emergency rules authorized by this subsection (ii) is deemed to be necessary for the public interest, safety, and welfare.

(jj) In order to provide for the expeditious and timely implementation of the provisions of this amendatory Act of the 101st General Assembly, emergency rules to implement the changes made by this amendatory Act of the 101st General Assembly to Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (jj) by the Department of Human Services. The adoption of emergency rules authorized by this subsection (jj) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

Section 35-10. The Mental Health and Developmental Disabilities Administrative Act is amended by changing Section 74 as follows:

(20 ILCS 1705/74)

Sec. 74. Rates and reimbursements.

(a) Within 30 days after July 6, 2017 (the effective date of Public Act 100-23), the Department shall increase rates and reimbursements to fund a minimum of a \$0.75 per hour wage increase for front-line personnel, including, but not limited to, direct support persons, aides, front-line supervisors, qualified intellectual disabilities professionals, nurses, and non-administrative support staff working in community-based provider organizations serving individuals with developmental disabilities. The Department shall adopt rules, including emergency rules under subsection (y) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this Section.

(b) Rates and reimbursements. Within 30 days after the effective date of this amendatory Act of the 100th General Assembly, the Department shall increase rates and reimbursements to fund a minimum of a \$0.50 per hour wage increase for front-line personnel, including, but not limited to, direct support persons, aides, front-line supervisors, qualified intellectual disabilities professionals, nurses, and non-administrative support staff working in community-based provider organizations serving individuals with developmental disabilities. The Department shall adopt rules, including emergency rules under subsection (bb) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this Section.

(c) Rates and reimbursements. Within 30 days after the effective date of his Amendatory Act of the 101st General Assembly, subject to federal approval, the Department shall increase rates and reimbursements in effect on June 30, 2019 for community-based providers for persons with Developmental Disabilities by 3.5% The Department shall adopt rules, including emergency rules under subsection (jj) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this Section, including wage increases for direct care staff.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

Section 35-15. The Illinois Public Aid Code is amended by changing Sections 5-5.4 and 5-5.4i as follows:

(305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

Sec. 5-5.4. Standards of Payment - Department of Healthcare and Family Services. The Department of Healthcare and Family Services shall develop standards of payment of nursing facility and ICF/DD services in facilities providing such services under this Article which:

(1) Provide for the determination of a facility's payment for nursing facility or ICF/DD services on a prospective basis. The amount of the payment rate for all nursing facilities certified by the Department of Public Health under the ID/DD Community Care Act or the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities, Long Term Care for Under Age 22 facilities, Skilled Nursing facilities, or Intermediate Care facilities under the medical assistance program shall be prospectively established annually on the basis of historical, financial, and statistical data reflecting actual costs from prior years, which shall be applied to the current rate year and updated for inflation, except that the capital cost element for newly constructed facilities shall be based upon projected budgets. The annually

established payment rate shall take effect on July 1 in 1984 and subsequent years. No rate increase and no update for inflation shall be provided on or after July 1, 1994, unless specifically provided for in this Section. The changes made by Public Act 93-841 extending the duration of the prohibition against a rate increase or update for inflation are effective retroactive to July 1, 2004.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on July 1, 1998 shall include an increase of 3%. For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Skilled Nursing facilities or Intermediate Care facilities, the rates taking effect on July 1, 1998 shall include an increase of 3% plus \$1.10 per resident-day, as defined by the Department. For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care Facilities for the Developmentally Disabled or Long Term Care for Under Age 22 facilities, the rates taking effect on January 1, 2006 shall include an increase of 3%. For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care Facilities for the Developmentally Disabled or Long Term Care for Under Age 22 facilities, the rates taking effect on January 1, 2009 shall include an increase sufficient to provide a \$0.50 per hour wage increase for non-executive staff. For facilities licensed by the Department of Public Health under the ID/DD Community Care Act as ID/DD Facilities the rates taking effect within 30 days after July 6, 2017 (the effective date of Public Act 100-23) shall include an increase sufficient to provide a \$0.75 per hour wage increase for non-executive staff. The Department shall adopt rules, including emergency rules under subsection (y) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this paragraph. For facilities licensed by the Department of Public Health under the ID/DD Community Care Act as ID/DD Facilities and under the MC/DD Act as MC/DD Facilities, the rates taking effect within 30 days after the effective date of this amendatory Act of the 100th General Assembly shall include an increase sufficient to provide a \$0.50 per hour wage increase for non-executive front-line personnel, including, but not limited to, direct support persons, aides, front-line supervisors, qualified intellectual disabilities professionals, nurses, and non-administrative support staff. The Department shall adopt rules, including emergency rules under subsection (bb) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this paragraph.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on July 1, 1999 shall include an increase of 1.6% plus \$3.00 per resident-day, as defined by the Department. For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Skilled Nursing facilities or Intermediate Care facilities, the rates taking effect on July 1, 1999 shall include an increase of 1.6% and, for services provided on or after October 1, 1999, shall be increased by \$4.00 per resident-day, as defined by the Department.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on July 1, 2000 shall include an increase of 2.5% per resident-day, as defined by the Department. For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Skilled Nursing facilities or Intermediate Care facilities, the rates taking effect on July 1, 2000 shall include an increase of 2.5% per resident-day, as defined by the Department.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, a new payment methodology must be implemented for the nursing component of the rate effective July 1, 2003. The Department of Public Aid (now Healthcare and Family Services) shall develop the new payment methodology using the Minimum Data Set (MDS) as the instrument to collect information concerning nursing home resident condition necessary to compute the rate. The Department shall develop the new payment methodology to meet the unique needs of Illinois nursing home residents while remaining subject to the appropriations provided by the General Assembly. A transition period from the payment methodology in effect on June 30, 2003 to the payment methodology in effect on July 1, 2003 shall be provided for a period not exceeding 3 years and 184 days after implementation of the new payment methodology as follows:

(A) For a facility that would receive a lower nursing component rate per patient day under the new system than the facility received effective on the date immediately preceding the date that the Department implements the new payment methodology, the nursing component rate per patient day for the facility shall be held at the level in effect on the date immediately preceding the date that the Department implements the new payment methodology until a higher nursing component rate of reimbursement is achieved by that facility.

(B) For a facility that would receive a higher nursing component rate per patient day

under the payment methodology in effect on July 1, 2003 than the facility received effective on the date immediately preceding the date that the Department implements the new payment methodology, the nursing component rate per patient day for the facility shall be adjusted.

(C) Notwithstanding paragraphs (A) and (B), the nursing component rate per patient day for the facility shall be adjusted subject to appropriations provided by the General Assembly.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on March 1, 2001 shall include a statewide increase of 7.85%, as defined by the Department.

Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, except facilities participating in the Department's demonstration program pursuant to the provisions of Title 77, Part 300, Subpart T of the Illinois Administrative Code, the numerator of the ratio used by the Department of Healthcare and Family Services to compute the rate payable under this Section using the Minimum Data Set (MDS) methodology shall incorporate the following annual amounts as the additional funds appropriated to the Department specifically to pay for rates based on the MDS nursing component methodology in excess of the funding in effect on December 31, 2006:

(i) For rates taking effect January 1, 2007, \$60,000,000.

(ii) For rates taking effect January 1, 2008, \$110,000,000.

(iii) For rates taking effect January 1, 2009, \$194,000,000.

(iv) For rates taking effect April 1, 2011, or the first day of the month that begins at least 45 days after the effective date of this amendatory Act of the 96th General Assembly, \$416,500,000 or an amount as may be necessary to complete the transition to the MDS methodology for the nursing component of the rate. Increased payments under this item (iv) are not due and payable, however, until (i) the methodologies described in this paragraph are approved by the federal government in an appropriate State Plan amendment and (ii) the assessment imposed by Section 5B-2 of this Code is determined to be a permissible tax under Title XIX of the Social Security Act.

Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, the support component of the rates taking effect on January 1, 2008 shall be computed using the most recent cost reports on file with the Department of Healthcare and Family Services no later than April 1, 2005, updated for inflation to January 1, 2006.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on April 1, 2002 shall include a statewide increase of 2.0%, as defined by the Department. This increase terminates on July 1, 2002; beginning July 1, 2002 these rates are reduced to the level of the rates in effect on March 31, 2002, as defined by the Department.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, the rates taking effect on July 1, 2001 shall be computed using the most recent cost reports on file with the Department of Public Aid no later than April 1, 2000, updated for inflation to January 1, 2001. For rates effective July 1, 2001 only, rates shall be the greater of the rate computed for July 1, 2001 or the rate effective on June 30, 2001.

Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, the Illinois Department shall determine by rule the rates taking effect on July 1, 2002, which shall be 5.9% less than the rates in effect on June 30, 2002.

Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, if the payment methodologies required under Section 5A-12 and the waiver granted under 42 CFR 433.68 are approved by the United States Centers for Medicare and Medicaid Services, the rates taking effect on July 1, 2004 shall be 3.0% greater than the rates in effect on June 30, 2004. These rates shall take effect only upon approval and implementation of the payment methodologies required under Section 5A-12.

Notwithstanding any other provisions of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, the rates taking effect on January 1, 2005 shall be 3% more than the rates in effect on December 31, 2004.

Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, effective January 1, 2009, the per diem support component of the rates effective on January 1, 2008, computed using the most recent cost reports on file with the Department of Healthcare and Family Services

no later than April 1, 2005, updated for inflation to January 1, 2006, shall be increased to the amount that would have been derived using standard Department of Healthcare and Family Services methods, procedures, and inflators.

Notwithstanding any other provisions of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as intermediate care facilities that are federally defined as Institutions for Mental Disease, or facilities licensed by the Department of Public Health under the Specialized Mental Health Rehabilitation Act of 2013, a socio-development component rate equal to 6.6% of the facility's nursing component rate as of January 1, 2006 shall be established and paid effective July 1, 2006. The socio-development component of the rate shall be increased by a factor of 2.53 on the first day of the month that begins at least 45 days after January 11, 2008 (the effective date of Public Act 95-707). As of August 1, 2008, the socio-development component rate shall be equal to 6.6% of the facility's nursing component rate as of January 1, 2006, multiplied by a factor of 3.53. For services provided on or after April 1, 2011, or the first day of the month that begins at least 45 days after the effective date of this amendatory Act of the 96th General Assembly, whichever is later, the Illinois Department may by rule adjust these socio-development component rates, and may use different adjustment methodologies for those facilities participating, and those not participating, in the Illinois Department's demonstration program pursuant to the provisions of Title 77, Part 300, Subpart T of the Illinois Administrative Code, but in no case may such rates be diminished below those in effect on August 1, 2008.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or as long-term care facilities for residents under 22 years of age, the rates taking effect on July 1, 2003 shall include a statewide increase of 4%, as defined by the Department.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on the first day of the month that begins at least 45 days after the effective date of this amendatory Act of the 95th General Assembly shall include a statewide increase of 2.5%, as defined by the Department.

Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, effective January 1, 2005, facility rates shall be increased by the difference between (i) a facility's per diem property, liability, and malpractice insurance costs as reported in the cost report filed with the Department of Public Aid and used to establish rates effective July 1, 2001 and (ii) those same costs as reported in the facility's 2002 cost report. These costs shall be passed through to the facility without caps or limitations, except for adjustments required under normal auditing procedures.

Rates established effective each July 1 shall govern payment for services rendered throughout that fiscal year, except that rates established on July 1, 1996 shall be increased by 6.8% for services provided on or after January 1, 1997. Such rates will be based upon the rates calculated for the year beginning July 1, 1990, and for subsequent years thereafter until June 30, 2001 shall be based on the facility cost reports for the facility fiscal year ending at any point in time during the previous calendar year, updated to the midpoint of the rate year. The cost report shall be on file with the Department no later than April 1 of the current rate year. Should the cost report not be on file by April 1, the Department shall base the rate on the latest cost report filed by each skilled care facility and intermediate care facility, updated to the midpoint of the current rate year. In determining rates for services rendered on and after July 1, 1985, fixed time shall not be computed at less than zero. The Department shall not make any alterations of regulations which would reduce any component of the Medicaid rate to a level below what that component would have been utilizing in the rate effective on July 1, 1984.

(2) Shall take into account the actual costs incurred by facilities in providing services for recipients of skilled nursing and intermediate care services under the medical assistance program.

(3) Shall take into account the medical and psycho-social characteristics and needs of the patients.

(4) Shall take into account the actual costs incurred by facilities in meeting licensing and certification standards imposed and prescribed by the State of Illinois, any of its political subdivisions or municipalities and by the U.S. Department of Health and Human Services pursuant to Title XIX of the Social Security Act.

The Department of Healthcare and Family Services shall develop precise standards for payments to reimburse nursing facilities for any utilization of appropriate rehabilitative personnel for the provision of rehabilitative services which is authorized by federal regulations, including reimbursement for services provided by qualified therapists or qualified assistants, and which is in accordance with accepted professional practices. Reimbursement also may be made for utilization of other supportive personnel under appropriate supervision.

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The Department shall develop enhanced payments to offset the additional costs incurred by a facility serving exceptional need residents and shall allocate at least \$4,000,000 of the funds collected from the assessment established by Section 5B-2 of this Code for such payments. For the purpose of this Section, "exceptional needs" means, but need not be limited to, ventilator care and traumatic brain injury care. The enhanced payments for exceptional need residents under this paragraph are not due and payable, however, until (i) the methodologies described in this paragraph are approved by the federal government in an appropriate State Plan amendment and (ii) the assessment imposed by Section 5B-2 of this Code is determined to be a permissible tax under Title XIX of the Social Security Act.

Beginning January 1, 2014 the methodologies for reimbursement of nursing facility services as provided under this Section 5-5.4 shall no longer be applicable for services provided on or after January 1, 2014.

No payment increase under this Section for the MDS methodology, exceptional care residents, or the socio-development component rate established by Public Act 96-1530 of the 96th General Assembly and funded by the assessment imposed under Section 5B-2 of this Code shall be due and payable until after the Department notifies the long-term care providers, in writing, that the payment methodologies to long-term care providers required under this Section have been approved by the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services and the waivers under 42 CFR 433.68 for the assessment imposed by this Section, if necessary, have been granted by the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services. Upon notification to the Department of approval of the payment methodologies required under this Section and the waivers granted under 42 CFR 433.68, all increased payments otherwise due under this Section prior to the date of notification shall be due and payable within 90 days of the date federal approval is received.

On and after July 1, 2012, the Department shall reduce any rate of reimbursement for services or other payments or alter any methodologies authorized by this Code to reduce any rate of reimbursement for services or other payments in accordance with Section 5-5e.

For facilities licensed by the Department of Public Health under the ID/DD Community Care Act as ID/DD Facilities and under the MC/DD Act as MC/DD Facilities, subject to federal approval, the rates taking effect for services delivered on or after August 1, 2019 shall be increased by 3.5% over the rates in effect on June 30, 2019. The Department shall adopt rules, including emergency rules under subsection (ii) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this Section, including wage increases for direct care staff.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

(305 ILCS 5/5-5.4i)

Sec. 5-5.4i. Rates and reimbursements.

(a) Within 30 days after July 6, 2017 (the effective date of Public Act 100-23), the Department shall increase rates and reimbursements to fund a minimum of a \$0.75 per hour wage increase for front-line personnel, including, but not limited to, direct support persons, aides, front-line supervisors, qualified intellectual disabilities professionals, nurses, and non-administrative support staff working in community-based provider organizations serving individuals with developmental disabilities. The Department shall adopt rules, including emergency rules under subsection (y) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this Section.

~~(b) Rates and reimbursements. Within 30 days after June 4, 2018 (the effective date of Public Act 100-587) this amendatory Act of the 100th General Assembly, the Department shall increase rates and reimbursements to fund a minimum of a \$0.50 per hour wage increase for front-line personnel, including, but not limited to, direct support persons, aides, front-line supervisors, qualified intellectual disabilities professionals, nurses, and non-administrative support staff working in community-based provider organizations serving individuals with developmental disabilities. The Department shall adopt rules, including emergency rules under subsection (bb) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this Section.~~

(c) Within 30 days after the effective date of this Amendatory Act of the 101st General Assembly, subject to federal approval, the Department shall increase rates and reimbursements in effect on June 30, 2019 for community-based providers for persons with Developmental Disabilities by 3.5%. The Department shall adopt rules, including emergency rules under subsection (ii) of Section 5-45 of the Illinois Administrative Procedure Act, to implement the provisions of this Section, including wage increases for direct care staff.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

ARTICLE 50. AMENDATORY PROVISIONS

Section 50-5. The General Assembly Compensation Act is amended by changing Section 1 as follows:

[June 2, 2019]

(25 ILCS 115/1) (from Ch. 63, par. 14)

Sec. 1. Each member of the General Assembly shall receive an annual salary of \$28,000 or as set by the Compensation Review Board, whichever is greater. The following named officers, committee chairmen and committee minority spokesmen shall receive additional amounts per year for their services as such officers, committee chairmen and committee minority spokesmen respectively, as set by the Compensation Review Board or, as follows, whichever is greater: Beginning the second Wednesday in January 1989, the Speaker and the minority leader of the House of Representatives and the President and the minority leader of the Senate, \$16,000 each; the majority leader in the House of Representatives \$13,500; 5 6 assistant majority leaders and 5 assistant minority leaders in the Senate, \$12,000 each; 6 assistant majority leaders and 6 assistant minority leaders in the House of Representatives, \$10,500 each; 2 Deputy Majority leaders in the House of Representatives \$11,500 each; and 2 Deputy Minority leaders in the House of Representatives, \$11,500 each; the majority caucus chairman and minority caucus chairman in the Senate, \$12,000 each; and beginning the second Wednesday in January, 1989, the majority conference chairman and the minority conference chairman in the House of Representatives, \$10,500 each; beginning the second Wednesday in January, 1989, the chairman and minority spokesman of each standing committee of the Senate, except the Rules Committee, the Committee on Committees, and the Committee on Assignment of Bills, \$6,000 each; and beginning the second Wednesday in January, 1989, the chairman and minority spokesman of each standing and select committee of the House of Representatives, \$6,000 each ; and beginning fiscal year 2020 the majority leader in the Senate, an amount equal to the majority leader in the House. A member who serves in more than one position as an officer, committee chairman, or committee minority spokesman shall receive only one additional amount based on the position paying the highest additional amount. The compensation provided for in this Section to be paid per year to members of the General Assembly, including the additional sums payable per year to officers of the General Assembly shall be paid in 12 equal monthly installments. The first such installment is payable on January 31, 1977. All subsequent equal monthly installments are payable on the last working day of the month. A member who has held office any part of a month is entitled to compensation for an entire month.

Mileage shall be paid at the rate of 20 cents per mile before January 9, 1985, and at the mileage allowance rate in effect under regulations promulgated pursuant to 5 U.S.C. 5707(b)(2) beginning January 9, 1985, for the number of actual highway miles necessarily and conveniently traveled by the most feasible route to be present upon convening of the sessions of the General Assembly by such member in each and every trip during each session in going to and returning from the seat of government, to be computed by the Comptroller. A member traveling by public transportation for such purposes, however, shall be paid his actual cost of that transportation instead of on the mileage rate if his cost of public transportation exceeds the amount to which he would be entitled on a mileage basis. No member may be paid, whether on a mileage basis or for actual costs of public transportation, for more than one such trip for each week the General Assembly is actually in session. Each member shall also receive an allowance of \$36 per day for lodging and meals while in attendance at sessions of the General Assembly before January 9, 1985; beginning January 9, 1985, such food and lodging allowance shall be equal to the amount per day permitted to be deducted for such expenses under the Internal Revenue Code; however, beginning May 31, 1995, no allowance for food and lodging while in attendance at sessions is authorized for periods of time after the last day in May of each calendar year, except (i) if the General Assembly is convened in special session by either the Governor or the presiding officers of both houses, as provided by subsection (b) of Section 5 of Article IV of the Illinois Constitution or (ii) if the General Assembly is convened to consider bills vetoed, item vetoed, reduced, or returned with specific recommendations for change by the Governor as provided in Section 9 of Article IV of the Illinois Constitution. For fiscal year 2011 and for session days in fiscal years 2012, 2013, 2014, 2015, 2016, 2017, 2018, and 2019 only (i) the allowance for lodging and meals is \$111 per day and (ii) mileage for automobile travel shall be reimbursed at a rate of \$0.39 per mile.

Notwithstanding any other provision of law to the contrary, beginning in fiscal year 2012, travel reimbursement for General Assembly members on non-session days shall be calculated using the guidelines set forth by the Legislative Travel Control Board, except that fiscal year 2012, 2013, 2014, 2015, 2016, 2017, 2018, and 2019 mileage reimbursement is set at a rate of \$0.39 per mile.

If a member dies having received only a portion of the amount payable as compensation, the unpaid balance shall be paid to the surviving spouse of such member, or, if there be none, to the estate of such member.

(Source: P.A. 99-355, eff. 8-13-15; 99-523, eff. 6-30-16; 100-25, eff. 7-26-17; 100-587, eff. 6-4-18.)

Section 50-10. The School Code is amended by changing Section 14-7.02 as follows:
(105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

[June 2, 2019]

Sec. 14-7.02. Children attending private schools, public out-of-state schools, public school residential facilities or private special education facilities. The General Assembly recognizes that non-public schools or special education facilities provide an important service in the educational system in Illinois.

If because of his or her disability the special education program of a district is unable to meet the needs of a child and the child attends a non-public school or special education facility, a public out-of-state school or a special education facility owned and operated by a county government unit that provides special educational services required by the child and is in compliance with the appropriate rules and regulations of the State Superintendent of Education, the school district in which the child is a resident shall pay the actual cost of tuition for special education and related services provided during the regular school term and during the summer school term if the child's educational needs so require, excluding room, board and transportation costs charged the child by that non-public school or special education facility, public out-of-state school or county special education facility, or \$4,500 per year, whichever is less, and shall provide him any necessary transportation. "Nonpublic special education facility" shall include a residential facility, within or without the State of Illinois, which provides special education and related services to meet the needs of the child by utilizing private schools or public schools, whether located on the site or off the site of the residential facility.

The State Board of Education shall promulgate rules and regulations for determining when placement in a private special education facility is appropriate. Such rules and regulations shall take into account the various types of services needed by a child and the availability of such services to the particular child in the public school. In developing these rules and regulations the State Board of Education shall consult with the Advisory Council on Education of Children with Disabilities and hold public hearings to secure recommendations from parents, school personnel, and others concerned about this matter.

The State Board of Education shall also promulgate rules and regulations for transportation to and from a residential school. Transportation to and from home to a residential school more than once each school term shall be subject to prior approval by the State Superintendent in accordance with the rules and regulations of the State Board.

A school district making tuition payments pursuant to this Section is eligible for reimbursement from the State for the amount of such payments actually made in excess of the district per capita tuition charge for students not receiving special education services. Such reimbursement shall be approved in accordance with Section 14-12.01 and each district shall file its claims, computed in accordance with rules prescribed by the State Board of Education, on forms prescribed by the State Superintendent of Education. Data used as a basis of reimbursement claims shall be for the preceding regular school term and summer school term. Each school district shall transmit its claims to the State Board of Education on or before August 15. The State Board of Education, before approving any such claims, shall determine their accuracy and whether they are based upon services and facilities provided under approved programs. Upon approval the State Board shall cause vouchers to be prepared showing the amount due for payment of reimbursement claims to school districts, for transmittal to the State Comptroller on the 30th day of September, December, and March, respectively, and the final voucher, no later than June 20. If the money appropriated by the General Assembly for such purpose for any year is insufficient, it shall be apportioned on the basis of the claims approved.

No child shall be placed in a special education program pursuant to this Section if the tuition cost for special education and related services increases more than 10 percent over the tuition cost for the previous school year or exceeds \$4,500 per year unless such costs have been approved by the Illinois Purchased Care Review Board. The Illinois Purchased Care Review Board shall consist of the following persons, or their designees: the Directors of Children and Family Services, Public Health, Public Aid, and the Governor's Office of Management and Budget; the Secretary of Human Services; the State Superintendent of Education; and such other persons as the Governor may designate. The Review Board shall also consist of one non-voting member who is an administrator of a private, nonpublic, special education school. The Review Board shall establish rules and regulations for its determination of allowable costs and payments made by local school districts for special education, room and board, and other related services provided by non-public schools or special education facilities and shall establish uniform standards and criteria which it shall follow. The Review Board shall approve the usual and customary rate or rates of a special education program that (i) is offered by an out-of-state, non-public provider of integrated autism specific educational and autism specific residential services, (ii) offers 2 or more levels of residential care, including at least one locked facility, and (iii) serves 12 or fewer Illinois students.

In determining rates based on allowable costs, the Review Board shall consider any wage increases awarded by the General Assembly to front line personnel defined as direct support persons, aides, front-line supervisors, qualified intellectual disabilities professionals, nurses, and non-administrative support staff working in service settings in community-based settings within the State and adjust customary rates

or rates of a special education program to be equitable to the wage increase awarded to similar staff positions in a community residential setting. Any wage increase awarded by the General Assembly to front line personnel defined as direct support persons, aides, front-line supervisors, qualified intellectual disabilities professionals, nurses, and non-administrative support staff working in community-based settings within the State, including the \$0.75 per hour increase contained in Public Act 100-23 and the \$0.50 per hour increase included in Public Act 100-23, shall also be a basis for any facility covered by this Section to appeal its rate before the Review Board under the process defined in Title 89, Part 900, Section 340 of the Illinois Administrative Code. Illinois Administrative Code Title 89, Part 900, Section 342 shall be updated to recognize wage increases awarded to community-based settings to be a basis for appeal. However, any wage increase that is captured upon appeal from a previous year shall not be counted by the Review Board as revenue for the purpose of calculating a facility's future rate.

Any definition used by the Review Board in administrative rule or policy to define "related organizations" shall include any and all exceptions contained in federal law or regulation as it pertains to the federal definition of "related organizations".

The Review Board shall establish uniform definitions and criteria for accounting separately by special education, room and board and other related services costs. The Board shall also establish guidelines for the coordination of services and financial assistance provided by all State agencies to assure that no otherwise qualified child with a disability receiving services under Article 14 shall be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity provided by any State agency.

The Review Board shall review the costs for special education and related services provided by non-public schools or special education facilities and shall approve or disapprove such facilities in accordance with the rules and regulations established by it with respect to allowable costs.

The State Board of Education shall provide administrative and staff support for the Review Board as deemed reasonable by the State Superintendent of Education. This support shall not include travel expenses or other compensation for any Review Board member other than the State Superintendent of Education.

The Review Board shall seek the advice of the Advisory Council on Education of Children with Disabilities on the rules and regulations to be promulgated by it relative to providing special education services.

If a child has been placed in a program in which the actual per pupil costs of tuition for special education and related services based on program enrollment, excluding room, board and transportation costs, exceed \$4,500 and such costs have been approved by the Review Board, the district shall pay such total costs which exceed \$4,500. A district making such tuition payments in excess of \$4,500 pursuant to this Section shall be responsible for an amount in excess of \$4,500 equal to the district per capita tuition charge and shall be eligible for reimbursement from the State for the amount of such payments actually made in excess of the districts per capita tuition charge for students not receiving special education services.

If a child has been placed in an approved individual program and the tuition costs including room and board costs have been approved by the Review Board, then such room and board costs shall be paid by the appropriate State agency subject to the provisions of Section 14-8.01 of this Act. Room and board costs not provided by a State agency other than the State Board of Education shall be provided by the State Board of Education on a current basis. In no event, however, shall the State's liability for funding of these tuition costs begin until after the legal obligations of third party payors have been subtracted from such costs. If the money appropriated by the General Assembly for such purpose for any year is insufficient, it shall be apportioned on the basis of the claims approved. Each district shall submit estimated claims to the State Superintendent of Education. Upon approval of such claims, the State Superintendent of Education shall direct the State Comptroller to make payments on a monthly basis. The frequency for submitting estimated claims and the method of determining payment shall be prescribed in rules and regulations adopted by the State Board of Education. Such current state reimbursement shall be reduced by an amount equal to the proceeds which the child or child's parents are eligible to receive under any public or private insurance or assistance program. Nothing in this Section shall be construed as relieving an insurer or similar third party from an otherwise valid obligation to provide or to pay for services provided to a child with a disability.

If it otherwise qualifies, a school district is eligible for the transportation reimbursement under Section 14-13.01 and for the reimbursement of tuition payments under this Section whether the non-public school or special education facility, public out-of-state school or county special education facility, attended by a child who resides in that district and requires special educational services, is within or outside of the State of Illinois. However, a district is not eligible to claim transportation reimbursement under this Section

unless the district certifies to the State Superintendent of Education that the district is unable to provide special educational services required by the child for the current school year.

Nothing in this Section authorizes the reimbursement of a school district for the amount paid for tuition of a child attending a non-public school or special education facility, public out-of-state school or county special education facility unless the school district certifies to the State Superintendent of Education that the special education program of that district is unable to meet the needs of that child because of his disability and the State Superintendent of Education finds that the school district is in substantial compliance with Section 14-4.01. However, if a child is unilaterally placed by a State agency or any court in a non-public school or special education facility, public out-of-state school, or county special education facility, a school district shall not be required to certify to the State Superintendent of Education, for the purpose of tuition reimbursement, that the special education program of that district is unable to meet the needs of a child because of his or her disability.

Any educational or related services provided, pursuant to this Section in a non-public school or special education facility or a special education facility owned and operated by a county government unit shall be at no cost to the parent or guardian of the child. However, current law and practices relative to contributions by parents or guardians for costs other than educational or related services are not affected by this amendatory Act of 1978.

Reimbursement for children attending public school residential facilities shall be made in accordance with the provisions of this Section.

Notwithstanding any other provision of law, any school district receiving a payment under this Section or under Section 14-7.02b, 14-13.01, or 29-5 of this Code may classify all or a portion of the funds that it receives in a particular fiscal year or from general State aid pursuant to Section 18-8.05 of this Code as funds received in connection with any funding program for which it is entitled to receive funds from the State in that fiscal year (including, without limitation, any funding program referenced in this Section), regardless of the source or timing of the receipt. The district may not classify more funds as funds received in connection with the funding program than the district is entitled to receive in that fiscal year for that program. Any classification by a district must be made by a resolution of its board of education. The resolution must identify the amount of any payments or general State aid to be classified under this paragraph and must specify the funding program to which the funds are to be treated as received in connection therewith. This resolution is controlling as to the classification of funds referenced therein. A certified copy of the resolution must be sent to the State Superintendent of Education. The resolution shall still take effect even though a copy of the resolution has not been sent to the State Superintendent of Education in a timely manner. No classification under this paragraph by a district shall affect the total amount or timing of money the district is entitled to receive under this Code. No classification under this paragraph by a district shall in any way relieve the district from or affect any requirements that otherwise would apply with respect to that funding program, including any accounting of funds by source, reporting expenditures by original source and purpose, reporting requirements, or requirements of providing services.

(Source: P.A. 99-78, eff. 7-20-15; 99-143, eff. 7-27-15; 100-587, eff. 6-4-18.)

Section 50-15. The School Construction Law is amended by adding Section 5-43 as follows:
(105 ILCS 230/5-43 new)

Sec. 5-43. School Construction Task Force.

(a) There is hereby created the School Construction Task Force. The Task Force shall consist of the following members:

- (1) A member appointed by the Governor who shall serve as the Chairperson.
- (2) The Director of the Governor's Office of Management and Budget, or his or her designee, who shall serve as the vice-chairperson.
- (3) The Executive Director of the Capital Development Board or his or her designee.
- (4) The State Superintendent of Education or his or her designee.
- (5) A representative appointed the Speaker of the House of Representatives.
- (6) A senator appointed by the President of the Senate.
- (7) A representative appointed by the Minority Leader of the House of Representatives.
- (8) A senator appointed by the Minority Leader of the Senate.
- (9) Five public members appointed by the Governor representing each of the following:
 - (A) Early childhood education programs.
 - (B) Elementary school districts.
 - (C) High school districts.
 - (D) Unit districts.

(E) Vocational education programs.

(b) The Task Force shall meet at the call of the Chairperson. The State Board of Education shall provide administrative and other support to the Task Force. Members of the Task Force shall serve without compensation, but may be reimbursed for travel and related expenses from funds appropriated for that purpose, subject to the rules of the appropriate travel control board.

(c) The Task Force must review this Law and research the needs for capital improvements in schools throughout this State. On or before March 1, 2020, the Task Force must submit a report to the Governor, General Assembly, and the chairperson of the State Board of Education that outlines recommendations for revising this Law and implementing a sound capital program to support the capital needs of public schools in this State, early childhood education programs, and vocational education programs.

(d) This Section is repealed on July 1, 2020.

Section 50-20. The Illinois Public Aid Code is amended by changing Sections 5-2 and 5A-2 and by adding Sections 5-5.14.5 and 5-5h as follows:

(305 ILCS 5/5-2) (from Ch. 23, par. 5-2)

Sec. 5-2. Classes of Persons Eligible.

Medical assistance under this Article shall be available to any of the following classes of persons in respect to whom a plan for coverage has been submitted to the Governor by the Illinois Department and approved by him. If changes made in this Section 5-2 require federal approval, they shall not take effect until such approval has been received:

1. Recipients of basic maintenance grants under Articles III and IV.

2. Beginning January 1, 2014, persons otherwise eligible for basic maintenance under Article III, excluding any eligibility requirements that are inconsistent with any federal law or federal regulation, as interpreted by the U.S. Department of Health and Human Services, but who fail to qualify thereunder on the basis of need, and who have insufficient income and resources to meet the costs of necessary medical care, including but not limited to the following:

(a) All persons otherwise eligible for basic maintenance under Article III but who fail to qualify under that Article on the basis of need and who meet either of the following requirements:

(i) their income, as determined by the Illinois Department in accordance with any federal requirements, is equal to or less than 100% of the federal poverty level; or

(ii) their income, after the deduction of costs incurred for medical care and for other types of remedial care, is equal to or less than 100% of the federal poverty level.

(b) (Blank).

3. (Blank).

4. Persons not eligible under any of the preceding paragraphs who fall sick, are injured, or die, not having sufficient money, property or other resources to meet the costs of necessary medical care or funeral and burial expenses.

5. (a) ~~Beginning January 1, 2020, women~~ Women during pregnancy and during the ~~12-month 60-day~~ period beginning on the last day of the

pregnancy, together with their infants, whose income is at or below 200% of the federal poverty level. Until September 30, 2019, or sooner if the maintenance of effort requirements under the Patient Protection and Affordable Care Act are eliminated or may be waived before then, women during pregnancy and during the ~~12-month 60-day~~ period beginning on the last day of the pregnancy, whose countable monthly income, after the deduction of costs incurred for medical care and for other types of remedial care as specified in administrative rule, is equal to or less than the Medical Assistance-No Grant(C) (MANG(C)) Income Standard in effect on April 1, 2013 as set forth in administrative rule.

(b) The plan for coverage shall provide ambulatory prenatal care to pregnant women during a presumptive eligibility period and establish an income eligibility standard that is equal to 200% of the federal poverty level, provided that costs incurred for medical care are not taken into account in determining such income eligibility.

(c) The Illinois Department may conduct a demonstration in at least one county that will provide medical assistance to pregnant women, together with their infants and children up to one year of age, where the income eligibility standard is set up to 185% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget. The Illinois Department shall seek and obtain necessary authorization provided under federal law to implement such a demonstration. Such demonstration may establish resource standards that are not more restrictive than those established under Article IV of this Code.

6. (a) Children younger than age 19 when countable income is at or below 133% of the

federal poverty level. Until September 30, 2019, or sooner if the maintenance of effort requirements under the Patient Protection and Affordable Care Act are eliminated or may be waived before then, children younger than age 19 whose countable monthly income, after the deduction of costs incurred for medical care and for other types of remedial care as specified in administrative rule, is equal to or less than the Medical Assistance-No Grant(C) (MANG(C)) Income Standard in effect on April 1, 2013 as set forth in administrative rule.

(b) Children and youth who are under temporary custody or guardianship of the Department of Children and Family Services or who receive financial assistance in support of an adoption or guardianship placement from the Department of Children and Family Services.

7. (Blank).

8. As required under federal law, persons who are eligible for Transitional Medical Assistance as a result of an increase in earnings or child or spousal support received. The plan for coverage for this class of persons shall:

(a) extend the medical assistance coverage to the extent required by federal law; and

(b) offer persons who have initially received 6 months of the coverage provided in paragraph (a) above, the option of receiving an additional 6 months of coverage, subject to the following:

(i) such coverage shall be pursuant to provisions of the federal Social Security Act;

(ii) such coverage shall include all services covered under Illinois' State Medicaid Plan;

(iii) no premium shall be charged for such coverage; and

(iv) such coverage shall be suspended in the event of a person's failure without good cause to file in a timely fashion reports required for this coverage under the Social Security Act and coverage shall be reinstated upon the filing of such reports if the person remains otherwise eligible.

9. Persons with acquired immunodeficiency syndrome (AIDS) or with AIDS-related conditions with respect to whom there has been a determination that but for home or community-based services such individuals would require the level of care provided in an inpatient hospital, skilled nursing facility or intermediate care facility the cost of which is reimbursed under this Article. Assistance shall be provided to such persons to the maximum extent permitted under Title XIX of the Federal Social Security Act.

10. Participants in the long-term care insurance partnership program established under the Illinois Long-Term Care Partnership Program Act who meet the qualifications for protection of resources described in Section 15 of that Act.

11. Persons with disabilities who are employed and eligible for Medicaid, pursuant to Section 1902(a)(10)(A)(ii)(xv) of the Social Security Act, and, subject to federal approval, persons with a medically improved disability who are employed and eligible for Medicaid pursuant to Section 1902(a)(10)(A)(ii)(xvi) of the Social Security Act, as provided by the Illinois Department by rule. In establishing eligibility standards under this paragraph 11, the Department shall, subject to federal approval:

(a) set the income eligibility standard at not lower than 350% of the federal poverty level;

(b) exempt retirement accounts that the person cannot access without penalty before the age of 59 1/2, and medical savings accounts established pursuant to 26 U.S.C. 220;

(c) allow non-exempt assets up to \$25,000 as to those assets accumulated during periods of eligibility under this paragraph 11; and

(d) continue to apply subparagraphs (b) and (c) in determining the eligibility of the person under this Article even if the person loses eligibility under this paragraph 11.

12. Subject to federal approval, persons who are eligible for medical assistance coverage under applicable provisions of the federal Social Security Act and the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. Those eligible persons are defined to include, but not be limited to, the following persons:

(1) persons who have been screened for breast or cervical cancer under the U.S.

Centers for Disease Control and Prevention Breast and Cervical Cancer Program established under Title XV of the federal Public Health Services Act in accordance with the requirements of Section 1504 of that Act as administered by the Illinois Department of Public Health; and

(2) persons whose screenings under the above program were funded in whole or in part

by funds appropriated to the Illinois Department of Public Health for breast or cervical cancer screening.

"Medical assistance" under this paragraph 12 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act. The Department must request federal approval of the coverage under this paragraph 12 within 30 days after the effective date of this amendatory Act of the 92nd General Assembly.

In addition to the persons who are eligible for medical assistance pursuant to subparagraphs (1) and (2) of this paragraph 12, and to be paid from funds appropriated to the Department for its medical programs, any uninsured person as defined by the Department in rules residing in Illinois who is younger than 65 years of age, who has been screened for breast and cervical cancer in accordance with standards and procedures adopted by the Department of Public Health for screening, and who is referred to the Department by the Department of Public Health as being in need of treatment for breast or cervical cancer is eligible for medical assistance benefits that are consistent with the benefits provided to those persons described in subparagraphs (1) and (2). Medical assistance coverage for the persons who are eligible under the preceding sentence is not dependent on federal approval, but federal moneys may be used to pay for services provided under that coverage upon federal approval.

13. Subject to appropriation and to federal approval, persons living with HIV/AIDS who are not otherwise eligible under this Article and who qualify for services covered under Section 5-5.04 as provided by the Illinois Department by rule.

14. Subject to the availability of funds for this purpose, the Department may provide coverage under this Article to persons who reside in Illinois who are not eligible under any of the preceding paragraphs and who meet the income guidelines of paragraph 2(a) of this Section and (i) have an application for asylum pending before the federal Department of Homeland Security or on appeal before a court of competent jurisdiction and are represented either by counsel or by an advocate accredited by the federal Department of Homeland Security and employed by a not-for-profit organization in regard to that application or appeal, or (ii) are receiving services through a federally funded torture treatment center. Medical coverage under this paragraph 14 may be provided for up to 24 continuous months from the initial eligibility date so long as an individual continues to satisfy the criteria of this paragraph 14. If an individual has an appeal pending regarding an application for asylum before the Department of Homeland Security, eligibility under this paragraph 14 may be extended until a final decision is rendered on the appeal. The Department may adopt rules governing the implementation of this paragraph 14.

15. Family Care Eligibility.

(a) On and after July 1, 2012, a parent or other caretaker relative who is 19 years of age or older when countable income is at or below 133% of the federal poverty level. A person may not spend down to become eligible under this paragraph 15.

(b) Eligibility shall be reviewed annually.

(c) (Blank).

(d) (Blank).

(e) (Blank).

(f) (Blank).

(g) (Blank).

(h) (Blank).

(i) Following termination of an individual's coverage under this paragraph 15, the individual must be determined eligible before the person can be re-enrolled.

16. Subject to appropriation, uninsured persons who are not otherwise eligible under this Section who have been certified and referred by the Department of Public Health as having been screened and found to need diagnostic evaluation or treatment, or both diagnostic evaluation and treatment, for prostate or testicular cancer. For the purposes of this paragraph 16, uninsured persons are those who do not have creditable coverage, as defined under the Health Insurance Portability and Accountability Act, or have otherwise exhausted any insurance benefits they may have had, for prostate or testicular cancer diagnostic evaluation or treatment, or both diagnostic evaluation and treatment. To be eligible, a person must furnish a Social Security number. A person's assets are exempt from consideration in determining eligibility under this paragraph 16. Such persons shall be eligible for medical assistance under this paragraph 16 for so long as they need treatment for the cancer. A person shall be considered to need treatment if, in the opinion of the person's treating physician, the person requires therapy directed toward cure or palliation of prostate or testicular cancer, including recurrent metastatic cancer that is a known or presumed complication of prostate or testicular cancer and complications resulting from the treatment modalities themselves. Persons who require only routine

monitoring services are not considered to need treatment. "Medical assistance" under this paragraph 16 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act. Notwithstanding any other provision of law, the Department (i) does not have a claim against the estate of a deceased recipient of services under this paragraph 16 and (ii) does not have a lien against any homestead property or other legal or equitable real property interest owned by a recipient of services under this paragraph 16.

17. Persons who, pursuant to a waiver approved by the Secretary of the U.S. Department of Health and Human Services, are eligible for medical assistance under Title XIX or XXI of the federal Social Security Act. Notwithstanding any other provision of this Code and consistent with the terms of the approved waiver, the Illinois Department, may by rule:

(a) Limit the geographic areas in which the waiver program operates.

(b) Determine the scope, quantity, duration, and quality, and the rate and method of reimbursement, of the medical services to be provided, which may differ from those for other classes of persons eligible for assistance under this Article.

(c) Restrict the persons' freedom in choice of providers.

18. Beginning January 1, 2014, persons aged 19 or older, but younger than 65, who are not otherwise eligible for medical assistance under this Section 5-2, who qualify for medical assistance pursuant to 42 U.S.C. 1396a(a)(10)(A)(i)(VIII) and applicable federal regulations, and who have income at or below 133% of the federal poverty level plus 5% for the applicable family size as determined pursuant to 42 U.S.C. 1396a(e)(14) and applicable federal regulations. Persons eligible for medical assistance under this paragraph 18 shall receive coverage for the Health Benefits Service Package as that term is defined in subsection (m) of Section 5-1.1 of this Code. If Illinois' federal medical assistance percentage (FMAP) is reduced below 90% for persons eligible for medical assistance under this paragraph 18, eligibility under this paragraph 18 shall cease no later than the end of the third month following the month in which the reduction in FMAP takes effect.

19. Beginning January 1, 2014, as required under 42 U.S.C. 1396a(a)(10)(A)(i)(IX), persons older than age 18 and younger than age 26 who are not otherwise eligible for medical assistance under paragraphs (1) through (17) of this Section who (i) were in foster care under the responsibility of the State on the date of attaining age 18 or on the date of attaining age 21 when a court has continued wardship for good cause as provided in Section 2-31 of the Juvenile Court Act of 1987 and (ii) received medical assistance under the Illinois Title XIX State Plan or waiver of such plan while in foster care.

20. Beginning January 1, 2018, persons who are foreign-born victims of human trafficking, torture, or other serious crimes as defined in Section 2-19 of this Code and their derivative family members if such persons: (i) reside in Illinois; (ii) are not eligible under any of the preceding paragraphs; (iii) meet the income guidelines of subparagraph (a) of paragraph 2; and (iv) meet the nonfinancial eligibility requirements of Sections 16-2, 16-3, and 16-5 of this Code. The Department may extend medical assistance for persons who are foreign-born victims of human trafficking, torture, or other serious crimes whose medical assistance would be terminated pursuant to subsection (b) of Section 16-5 if the Department determines that the person, during the year of initial eligibility (1) experienced a health crisis, (2) has been unable, after reasonable attempts, to obtain necessary information from a third party, or (3) has other extenuating circumstances that prevented the person from completing his or her application for status. The Department may adopt any rules necessary to implement the provisions of this paragraph.

In implementing the provisions of Public Act 96-20, the Department is authorized to adopt only those rules necessary, including emergency rules. Nothing in Public Act 96-20 permits the Department to adopt rules or issue a decision that expands eligibility for the FamilyCare Program to a person whose income exceeds 185% of the Federal Poverty Level as determined from time to time by the U.S. Department of Health and Human Services, unless the Department is provided with express statutory authority.

The eligibility of any such person for medical assistance under this Article is not affected by the payment of any grant under the Senior Citizens and Persons with Disabilities Property Tax Relief Act or any distributions or items of income described under subparagraph (X) of paragraph (2) of subsection (a) of Section 203 of the Illinois Income Tax Act.

The Department shall by rule establish the amounts of assets to be disregarded in determining eligibility for medical assistance, which shall at a minimum equal the amounts to be disregarded under the Federal Supplemental Security Income Program. The amount of assets of a single person to be disregarded shall not be less than \$2,000, and the amount of assets of a married couple to be disregarded shall not be less than \$3,000.

To the extent permitted under federal law, any person found guilty of a second violation of Article VIII A shall be ineligible for medical assistance under this Article, as provided in Section 8A-8.

The eligibility of any person for medical assistance under this Article shall not be affected by the receipt by the person of donations or benefits from fundraisers held for the person in cases of serious illness, as long as neither the person nor members of the person's family have actual control over the donations or benefits or the disbursement of the donations or benefits.

Notwithstanding any other provision of this Code, if the United States Supreme Court holds Title II, Subtitle A, Section 2001(a) of Public Law 111-148 to be unconstitutional, or if a holding of Public Law 111-148 makes Medicaid eligibility allowed under Section 2001(a) inoperable, the State or a unit of local government shall be prohibited from enrolling individuals in the Medical Assistance Program as the result of federal approval of a State Medicaid waiver on or after the effective date of this amendatory Act of the 97th General Assembly, and any individuals enrolled in the Medical Assistance Program pursuant to eligibility permitted as a result of such a State Medicaid waiver shall become immediately ineligible.

Notwithstanding any other provision of this Code, if an Act of Congress that becomes a Public Law eliminates Section 2001(a) of Public Law 111-148, the State or a unit of local government shall be prohibited from enrolling individuals in the Medical Assistance Program as the result of federal approval of a State Medicaid waiver on or after the effective date of this amendatory Act of the 97th General Assembly, and any individuals enrolled in the Medical Assistance Program pursuant to eligibility permitted as a result of such a State Medicaid waiver shall become immediately ineligible.

Effective October 1, 2013, the determination of eligibility of persons who qualify under paragraphs 5, 6, 8, 15, 17, and 18 of this Section shall comply with the requirements of 42 U.S.C. 1396a(e)(14) and applicable federal regulations.

The Department of Healthcare and Family Services, the Department of Human Services, and the Illinois health insurance marketplace shall work cooperatively to assist persons who would otherwise lose health benefits as a result of changes made under this amendatory Act of the 98th General Assembly to transition to other health insurance coverage.

(Source: P.A. 98-104, eff. 7-22-13; 98-463, eff. 8-16-13; 99-143, eff. 7-27-15; 99-870, eff. 8-22-16.)

(305 ILCS 5/5-5.14.5 new)

Sec. 5-5.14.5. Treatment; substance use disorder and mental health. The Department shall consult with stakeholders and General Assembly members for input on a plan to develop enhanced Medicaid rates for substance use disorder treatment and mental health treatment in underserved communities. The Department shall present the plan to General Assembly members within 3 months of the effective date of this amendatory Act of the 101st General Assembly, which will specifically address ensuring access to treatment in provider deserts. Within 4 months of the effective date of this amendatory Act of the 101st General Assembly, the Department shall submit a State plan amendment to create medical assistance enhanced rates to enhance access to those to community mental health services and substance abuse services for underserved communities. Subject to federal approval, the Department shall create medical assistance enhanced rates for community mental health services and substance abuse providers for underserved communities to enhance access to those communities.

(305 ILCS 5/5-5h new)

Sec. 5-5h. Long-term acute care hospital base rates.

(a) The base per diem rate paid to long-term acute care hospitals for Medicaid services on and after January 1, 2020 must be \$60 more than the base rate in effect on June 30, 2019.

(b) Nothing in this Section shall change the rates authorized under Section 5A-12.6 or the Long-Term Acute Care Hospital Quality Improvement Transfer Program Act.

(305 ILCS 5/5A-2) (from Ch. 23, par. 5A-2)

(Section scheduled to be repealed on July 1, 2020)

Sec. 5A-2. Assessment.

(a)(1) Subject to Sections 5A-3 and 5A-10, for State fiscal years 2009 through 2018, or as long as continued under Section 5A-16, an annual assessment on inpatient services is imposed on each hospital provider in an amount equal to \$218.38 multiplied by the difference of the hospital's occupied bed days less the hospital's Medicare bed days, provided, however, that the amount of \$218.38 shall be increased by a uniform percentage to generate an amount equal to 75% of the State share of the payments authorized under Section 5A-12.5, with such increase only taking effect upon the date that a State share for such payments is required under federal law. For the period of April through June 2015, the amount of \$218.38 used to calculate the assessment under this paragraph shall, by emergency rule under subsection (s) of Section 5-45 of the Illinois Administrative Procedure Act, be increased by a uniform percentage to generate \$20,250,000 in the aggregate for that period from all hospitals subject to the annual assessment under this paragraph.

(2) In addition to any other assessments imposed under this Article, effective July 1, 2016 and semi-annually thereafter through June 2018, or as provided in Section 5A-16, in addition to any federally

[June 2, 2019]

required State share as authorized under paragraph (1), the amount of \$218.38 shall be increased by a uniform percentage to generate an amount equal to 75% of the ACA Assessment Adjustment, as defined in subsection (b-6) of this Section.

For State fiscal years 2009 through 2018, or as provided in Section 5A-16, a hospital's occupied bed days and Medicare bed days shall be determined using the most recent data available from each hospital's 2005 Medicare cost report as contained in the Healthcare Cost Report Information System file, for the quarter ending on December 31, 2006, without regard to any subsequent adjustments or changes to such data. If a hospital's 2005 Medicare cost report is not contained in the Healthcare Cost Report Information System, then the Illinois Department may obtain the hospital provider's occupied bed days and Medicare bed days from any source available, including, but not limited to, records maintained by the hospital provider, which may be inspected at all times during business hours of the day by the Illinois Department or its duly authorized agents and employees.

(3) Subject to Sections 5A-3, 5A-10, and 5A-16, for State fiscal years 2019 and 2020, an annual assessment on inpatient services is imposed on each hospital provider in an amount equal to \$197.19 multiplied by the difference of the hospital's occupied bed days less the hospital's Medicare bed days; however, for State fiscal year ~~2021~~ 2020, the amount of \$197.19 shall be increased by a uniform percentage to generate an additional \$6,250,000 in the aggregate for that period from all hospitals subject to the annual assessment under this paragraph. For State fiscal years 2019 and 2020, a hospital's occupied bed days and Medicare bed days shall be determined using the most recent data available from each hospital's 2015 Medicare cost report as contained in the Healthcare Cost Report Information System file, for the quarter ending on March 31, 2017, without regard to any subsequent adjustments or changes to such data. If a hospital's 2015 Medicare cost report is not contained in the Healthcare Cost Report Information System, then the Illinois Department may obtain the hospital provider's occupied bed days and Medicare bed days from any source available, including, but not limited to, records maintained by the hospital provider, which may be inspected at all times during business hours of the day by the Illinois Department or its duly authorized agents and employees. Notwithstanding any other provision in this Article, for a hospital provider that did not have a 2015 Medicare cost report, but paid an assessment in State fiscal year 2018 on the basis of hypothetical data, that assessment amount shall be used for State fiscal years 2019 and 2020; however, for State fiscal year ~~2021~~ 2020, the assessment amount shall be increased by the proportion that it represents of the total annual assessment that is generated from all hospitals in order to generate \$6,250,000 in the aggregate for that period from all hospitals subject to the annual assessment under this paragraph.

Subject to Sections 5A-3 and 5A-10, for State fiscal years 2021 through 2024, an annual assessment on inpatient services is imposed on each hospital provider in an amount equal to \$197.19 multiplied by the difference of the hospital's occupied bed days less the hospital's Medicare bed days, provided however, that the amount of \$197.19 used to calculate the assessment under this paragraph shall, by rule, be adjusted by a uniform percentage to generate the same total annual assessment that was generated in State fiscal year 2020 from all hospitals subject to the annual assessment under this paragraph plus \$6,250,000. For State fiscal years 2021 and 2022, a hospital's occupied bed days and Medicare bed days shall be determined using the most recent data available from each hospital's 2017 Medicare cost report as contained in the Healthcare Cost Report Information System file, for the quarter ending on March 31, 2019, without regard to any subsequent adjustments or changes to such data. For State fiscal years 2023 and 2024, a hospital's occupied bed days and Medicare bed days shall be determined using the most recent data available from each hospital's 2019 Medicare cost report as contained in the Healthcare Cost Report Information System file, for the quarter ending on March 31, 2021, without regard to any subsequent adjustments or changes to such data.

(b) (Blank).

(b-5)(1) Subject to Sections 5A-3 and 5A-10, for the portion of State fiscal year 2012, beginning June 10, 2012 through June 30, 2012, and for State fiscal years 2013 through 2018, or as provided in Section 5A-16, an annual assessment on outpatient services is imposed on each hospital provider in an amount equal to .008766 multiplied by the hospital's outpatient gross revenue, provided, however, that the amount of .008766 shall be increased by a uniform percentage to generate an amount equal to 25% of the State share of the payments authorized under Section 5A-12.5, with such increase only taking effect upon the date that a State share for such payments is required under federal law. For the period beginning June 10, 2012 through June 30, 2012, the annual assessment on outpatient services shall be prorated by multiplying the assessment amount by a fraction, the numerator of which is 21 days and the denominator of which is 365 days. For the period of April through June 2015, the amount of .008766 used to calculate the assessment under this paragraph shall, by emergency rule under subsection (s) of Section 5-45 of the

Illinois Administrative Procedure Act, be increased by a uniform percentage to generate \$6,750,000 in the aggregate for that period from all hospitals subject to the annual assessment under this paragraph.

(2) In addition to any other assessments imposed under this Article, effective July 1, 2016 and semi-annually thereafter through June 2018, in addition to any federally required State share as authorized under paragraph (1), the amount of .008766 shall be increased by a uniform percentage to generate an amount equal to 25% of the ACA Assessment Adjustment, as defined in subsection (b-6) of this Section.

For the portion of State fiscal year 2012, beginning June 10, 2012 through June 30, 2012, and State fiscal years 2013 through 2018, or as provided in Section 5A-16, a hospital's outpatient gross revenue shall be determined using the most recent data available from each hospital's 2009 Medicare cost report as contained in the Healthcare Cost Report Information System file, for the quarter ending on June 30, 2011, without regard to any subsequent adjustments or changes to such data. If a hospital's 2009 Medicare cost report is not contained in the Healthcare Cost Report Information System, then the Department may obtain the hospital provider's outpatient gross revenue from any source available, including, but not limited to, records maintained by the hospital provider, which may be inspected at all times during business hours of the day by the Department or its duly authorized agents and employees.

(3) Subject to Sections 5A-3, 5A-10, and 5A-16, for State fiscal years 2019 and 2020, an annual assessment on outpatient services is imposed on each hospital provider in an amount equal to .01358 multiplied by the hospital's outpatient gross revenue; however, for State fiscal year ~~2021~~ 2020, the amount of .01358 shall be increased by a uniform percentage to generate an additional \$6,250,000 in the aggregate for that period from all hospitals subject to the annual assessment under this paragraph. For State fiscal years 2019 and 2020, a hospital's outpatient gross revenue shall be determined using the most recent data available from each hospital's 2015 Medicare cost report as contained in the Healthcare Cost Report Information System file, for the quarter ending on March 31, 2017, without regard to any subsequent adjustments or changes to such data. If a hospital's 2015 Medicare cost report is not contained in the Healthcare Cost Report Information System, then the Department may obtain the hospital provider's outpatient gross revenue from any source available, including, but not limited to, records maintained by the hospital provider, which may be inspected at all times during business hours of the day by the Department or its duly authorized agents and employees. Notwithstanding any other provision in this Article, for a hospital provider that did not have a 2015 Medicare cost report, but paid an assessment in State fiscal year 2018 on the basis of hypothetical data, that assessment amount shall be used for State fiscal years 2019 and 2020; however, for State fiscal year ~~2021~~ 2020, the assessment amount shall be increased by the proportion that it represents of the total annual assessment that is generated from all hospitals in order to generate \$6,250,000 in the aggregate for that period from all hospitals subject to the annual assessment under this paragraph.

Subject to Sections 5A-3 and 5A-10, for State fiscal years 2021 through 2024, an annual assessment on outpatient services is imposed on each hospital provider in an amount equal to .01358 multiplied by the hospital's outpatient gross revenue, provided however, that the amount of .01358 used to calculate the assessment under this paragraph shall, by rule, be adjusted by a uniform percentage to generate the same total annual assessment that was generated in State fiscal year 2020 from all hospitals subject to the annual assessment under this paragraph plus \$6,250,000. For State fiscal years 2021 and 2022, a hospital's outpatient gross revenue shall be determined using the most recent data available from each hospital's 2017 Medicare cost report as contained in the Healthcare Cost Report Information System file, for the quarter ending on March 31, 2019, without regard to any subsequent adjustments or changes to such data. For State fiscal years 2023 and 2024, a hospital's outpatient gross revenue shall be determined using the most recent data available from each hospital's 2019 Medicare cost report as contained in the Healthcare Cost Report Information System file, for the quarter ending on March 31, 2021, without regard to any subsequent adjustments or changes to such data.

(b-6)(1) As used in this Section, "ACA Assessment Adjustment" means:

(A) For the period of July 1, 2016 through December 31, 2016, the product of .19125 multiplied by the sum of the fee-for-service payments to hospitals as authorized under Section 5A-12.5 and the adjustments authorized under subsection (t) of Section 5A-12.2 to managed care organizations for hospital services due and payable in the month of April 2016 multiplied by 6.

(B) For the period of January 1, 2017 through June 30, 2017, the product of .19125 multiplied by the sum of the fee-for-service payments to hospitals as authorized under Section 5A-12.5 and the adjustments authorized under subsection (t) of Section 5A-12.2 to managed care organizations for hospital services due and payable in the month of October 2016 multiplied by 6, except that the amount calculated under this subparagraph (B) shall be adjusted, either positively or negatively, to account for the difference between the actual payments issued under Section 5A-12.5 for the period

beginning July 1, 2016 through December 31, 2016 and the estimated payments due and payable in the month of April 2016 multiplied by 6 as described in subparagraph (A).

(C) For the period of July 1, 2017 through December 31, 2017, the product of .19125 multiplied by the sum of the fee-for-service payments to hospitals as authorized under Section 5A-12.5 and the adjustments authorized under subsection (t) of Section 5A-12.2 to managed care organizations for hospital services due and payable in the month of April 2017 multiplied by 6, except that the amount calculated under this subparagraph (C) shall be adjusted, either positively or negatively, to account for the difference between the actual payments issued under Section 5A-12.5 for the period beginning January 1, 2017 through June 30, 2017 and the estimated payments due and payable in the month of October 2016 multiplied by 6 as described in subparagraph (B).

(D) For the period of January 1, 2018 through June 30, 2018, the product of .19125 multiplied by the sum of the fee-for-service payments to hospitals as authorized under Section 5A-12.5 and the adjustments authorized under subsection (t) of Section 5A-12.2 to managed care organizations for hospital services due and payable in the month of October 2017 multiplied by 6, except that:

(i) the amount calculated under this subparagraph (D) shall be adjusted, either positively or negatively, to account for the difference between the actual payments issued under Section 5A-12.5 for the period of July 1, 2017 through December 31, 2017 and the estimated payments due and payable in the month of April 2017 multiplied by 6 as described in subparagraph (C); and

(ii) the amount calculated under this subparagraph (D) shall be adjusted to include the product of .19125 multiplied by the sum of the fee-for-service payments, if any, estimated to be paid to hospitals under subsection (b) of Section 5A-12.5.

(2) The Department shall complete and apply a final reconciliation of the ACA Assessment Adjustment prior to June 30, 2018 to account for:

(A) any differences between the actual payments issued or scheduled to be issued prior to June 30, 2018 as authorized in Section 5A-12.5 for the period of January 1, 2018 through June 30, 2018 and the estimated payments due and payable in the month of October 2017 multiplied by 6 as described in subparagraph (D); and

(B) any difference between the estimated fee-for-service payments under subsection (b) of Section 5A-12.5 and the amount of such payments that are actually scheduled to be paid.

The Department shall notify hospitals of any additional amounts owed or reduction credits to be applied to the June 2018 ACA Assessment Adjustment. This is to be considered the final reconciliation for the ACA Assessment Adjustment.

(3) Notwithstanding any other provision of this Section, if for any reason the scheduled payments under subsection (b) of Section 5A-12.5 are not issued in full by the final day of the period authorized under subsection (b) of Section 5A-12.5, funds collected from each hospital pursuant to subparagraph (D) of paragraph (1) and pursuant to paragraph (2), attributable to the scheduled payments authorized under subsection (b) of Section 5A-12.5 that are not issued in full by the final day of the period attributable to each payment authorized under subsection (b) of Section 5A-12.5, shall be refunded.

(4) The increases authorized under paragraph (2) of subsection (a) and paragraph (2) of subsection (b-5) shall be limited to the federally required State share of the total payments authorized under Section 5A-12.5 if the sum of such payments yields an annualized amount equal to or less than \$450,000,000, or if the adjustments authorized under subsection (t) of Section 5A-12.2 are found not to be actuarially sound; however, this limitation shall not apply to the fee-for-service payments described in subsection (b) of Section 5A-12.5.

(c) (Blank).

(d) Notwithstanding any of the other provisions of this Section, the Department is authorized to adopt rules to reduce the rate of any annual assessment imposed under this Section, as authorized by Section 5-46.2 of the Illinois Administrative Procedure Act.

(e) Notwithstanding any other provision of this Section, any plan providing for an assessment on a hospital provider as a permissible tax under Title XIX of the federal Social Security Act and Medicaid-eligible payments to hospital providers from the revenues derived from that assessment shall be reviewed by the Illinois Department of Healthcare and Family Services, as the Single State Medicaid Agency required by federal law, to determine whether those assessments and hospital provider payments meet federal Medicaid standards. If the Department determines that the elements of the plan may meet federal Medicaid standards and a related State Medicaid Plan Amendment is prepared in a manner and form suitable for submission, that State Plan Amendment shall be submitted in a timely manner for review by the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services and subject to approval by the Centers for Medicare and Medicaid Services of the United States

Department of Health and Human Services. No such plan shall become effective without approval by the Illinois General Assembly by the enactment into law of related legislation. Notwithstanding any other provision of this Section, the Department is authorized to adopt rules to reduce the rate of any annual assessment imposed under this Section. Any such rules may be adopted by the Department under Section 5-50 of the Illinois Administrative Procedure Act.
(Source: P.A. 99-2, eff. 3-26-15; 99-516, eff. 6-30-16; 100-581, eff. 3-12-18.)

Section 50-21. If and only if Senate Bill 1321 of the 101st General Assembly becomes law in the form in which it passed the General Assembly on May 30, 2019, then the Illinois Public Aid Code is amended by changing Section 11-5.3 as follows:

(305 ILCS 5/11-5.3)

Sec. 11-5.3. Procurement of vendor to verify eligibility for assistance under Article V.

(a) No later than 60 days after the effective date of this amendatory Act of the 97th General Assembly, the Chief Procurement Officer for General Services, in consultation with the Department of Healthcare and Family Services, shall conduct and complete any procurement necessary to procure a vendor to verify eligibility for assistance under Article V of this Code. Such authority shall include procuring a vendor to assist the Chief Procurement Officer in conducting the procurement. The Chief Procurement Officer and the Department shall jointly negotiate final contract terms with a vendor selected by the Chief Procurement Officer. Within 30 days of selection of an eligibility verification vendor, the Department of Healthcare and Family Services shall enter into a contract with the selected vendor. The Department of Healthcare and Family Services and the Department of Human Services shall cooperate with and provide any information requested by the Chief Procurement Officer to conduct the procurement.

(b) Notwithstanding any other provision of law, any procurement or contract necessary to comply with this Section shall be exempt from: (i) the Illinois Procurement Code pursuant to Section 1-10(h) of the Illinois Procurement Code, except that bidders shall comply with the disclosure requirement in Sections 50-10.5(a) through (d), 50-13, 50-35, and 50-37 of the Illinois Procurement Code and a vendor awarded a contract under this Section shall comply with Section 50-37 of the Illinois Procurement Code; (ii) any administrative rules of this State pertaining to procurement or contract formation; and (iii) any State or Department policies or procedures pertaining to procurement, contract formation, contract award, and Business Enterprise Program approval.

(c) Upon becoming operational, the contractor shall conduct data matches using the name, date of birth, address, and Social Security Number of each applicant and recipient against public records to verify eligibility. The contractor, upon preliminary determination that an enrollee is eligible or ineligible, shall notify the Department, except that the contractor shall not make preliminary determinations regarding the eligibility of persons residing in long term care facilities whose income and resources were at or below the applicable financial eligibility standards at the time of their last review. Within 20 business days of such notification, the Department shall accept the recommendation or reject it with a stated reason. The Department shall retain final authority over eligibility determinations. The contractor shall keep a record of all preliminary determinations of ineligibility communicated to the Department. Within 30 days of the end of each calendar quarter, the Department and contractor shall file a joint report on a quarterly basis to the Governor, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Senate President, and the Senate Minority Leader. The report shall include, but shall not be limited to, monthly recommendations of preliminary determinations of eligibility or ineligibility communicated by the contractor, the actions taken on those preliminary determinations by the Department, and the stated reasons for those recommendations that the Department rejected.

(d) An eligibility verification vendor contract shall be awarded for an initial 2-year period with up to a maximum of 2 one-year renewal options. Nothing in this Section shall compel the award of a contract to a vendor that fails to meet the needs of the Department. A contract with a vendor to assist in the procurement shall be awarded for a period of time not to exceed 6 months.

(e) The provisions of this Section shall be administered in compliance with federal law.

~~(f) The State's Integrated Eligibility System shall be on a 3-year audit cycle by the Office of the Auditor General.~~

(Source: 10100SB1321ham001.)

Section 50-25. The Code of Civil Procedure is amended by changing Sections 15-1504.1 and by reenacting and changing Section 15-1507.1 as follows:

(735 ILCS 5/15-1504.1)

Sec. 15-1504.1. Filing fee for Foreclosure Prevention Program Fund, Foreclosure Prevention Program Graduated Fund, and Abandoned Residential Property Municipality Relief Fund.

[June 2, 2019]

(a) Fee paid by all plaintiffs with respect to residential real estate. With respect to residential real estate, at the time of the filing of a foreclosure complaint, the plaintiff shall pay to the clerk of the court in which the foreclosure complaint is filed a fee of \$50 for deposit into the Foreclosure Prevention Program Fund, a special fund created in the State treasury. The clerk shall remit the fee collected pursuant to this subsection (a) to the State Treasurer to be expended for the purposes set forth in Section 7.30 of the Illinois Housing Development Act. All fees paid by plaintiffs to the clerk of the court as provided in this subsection (a) shall be disbursed within 60 days after receipt by the clerk of the court as follows: (i) 98% to the State Treasurer for deposit into the Foreclosure Prevention Program Fund, and (ii) 2% to the clerk of the court to be retained by the clerk for deposit into the Circuit Court Clerk Operation and Administrative Fund to defray administrative expenses related to implementation of this subsection (a). Notwithstanding any other law to the contrary, the Foreclosure Prevention Program Fund is not subject to sweeps, administrative charge-backs, or any other fiscal maneuver that would in any way transfer any amounts from the Foreclosure Prevention Program Fund into any other fund of the State.

(a-5) Additional fee paid by plaintiffs with respect to residential real estate.

(1) Until January 1, ~~2023~~ 2020, with respect to residential real estate, at the time of the filing of a foreclosure complaint and in addition to the fee set forth in subsection (a) of this Section, the plaintiff shall pay to the clerk of the court in which the foreclosure complaint is filed a fee for the Foreclosure Prevention Program Graduated Fund and the Abandoned Residential Property Municipality Relief Fund as follows:

(A) The fee shall be \$500 if:

(i) the plaintiff, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the first tier foreclosure filing category and is filing the complaint on its own behalf as the holder of the indebtedness; or

(ii) the plaintiff, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the first tier foreclosure filing category and is filing the complaint on behalf of a mortgagee that, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the first tier foreclosure filing category; or

(iii) the plaintiff is not a depository institution and is filing the complaint on behalf of a mortgagee that, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the first tier foreclosure filing category.

(B) The fee shall be \$250 if:

(i) the plaintiff, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the second tier foreclosure filing category and is filing the complaint on its own behalf as the holder of the indebtedness; or

(ii) the plaintiff, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the first or second tier foreclosure filing category and is filing the complaint on behalf of a mortgagee that, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the second tier foreclosure filing category; or

(iii) the plaintiff, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the second tier foreclosure filing category and is filing the complaint on behalf of a mortgagee that, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the first tier foreclosure filing category; or

(iv) the plaintiff is not a depository institution and is filing the complaint on behalf of a mortgagee that, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the second tier foreclosure filing category.

(C) The fee shall be \$50 if:

(i) the plaintiff, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the third tier foreclosure filing category and is filing the complaint on its own behalf as the holder of the indebtedness; or

(ii) the plaintiff, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the first, second, or third tier foreclosure filing category and is filing the complaint on behalf of a mortgagee that, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the third tier foreclosure filing category; or

(iii) the plaintiff, together with its affiliates, has filed a sufficient number

of foreclosure complaints so as to be included in the third tier foreclosure filing category and is filing the complaint on behalf of a mortgagee that, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the first tier foreclosure filing category; or

(iv) the plaintiff, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the third tier foreclosure filing category and is filing the complaint on behalf of a mortgagee that, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the second tier foreclosure filing category; or

(v) the plaintiff is not a depository institution and is filing the complaint on behalf of a mortgagee that, together with its affiliates, has filed a sufficient number of foreclosure complaints so as to be included in the third tier foreclosure filing category.

(2) The clerk shall remit the fee collected pursuant to paragraph (1) of this subsection (a-5) to the State Treasurer to be expended for the purposes set forth in Sections 7.30 and 7.31 of the Illinois Housing Development Act and for administrative expenses. All fees paid by plaintiffs to the clerk of the court as provided in paragraph (1) shall be disbursed within 60 days after receipt by the clerk of the court as follows:

(A) 28% to the State Treasurer for deposit into the Foreclosure Prevention Program Graduated Fund;

(B) 70% to the State Treasurer for deposit into the Abandoned Residential Property Municipality Relief Fund; and

(C) 2% to the clerk of the court to be retained by the clerk for deposit into the Circuit Court Clerk Operation and Administrative Fund to defray administrative expenses related to implementation of this subsection (a-5).

(3) Until January 1, ~~2023~~ ~~2020~~, with respect to residential real estate, at the time of the filing of a foreclosure complaint, the plaintiff or plaintiff's representative shall file a verified statement that states which additional fee is due under paragraph (1) of this subsection (a-5), unless the court has established another process for a plaintiff or plaintiff's representative to certify which additional fee is due under paragraph (1) of this subsection (a-5).

(4) If a plaintiff fails to provide the clerk of the court with a true and correct statement of the additional fee due under paragraph (1) of this subsection (a-5), and the mortgagor reimburses the plaintiff for any erroneous additional fee that was paid by the plaintiff to the clerk of the court, the mortgagor may seek a refund of any overpayment of the fee in an amount that shall not exceed the difference between the higher additional fee paid under paragraph (1) of this subsection (a-5) and the actual fee due thereunder. The mortgagor must petition the judge within the foreclosure action for the award of any fee overpayment pursuant to this paragraph (4) of this subsection (a-5), and the award shall be determined by the judge and paid by the clerk of the court out of the fund account into which the clerk of the court deposits fees to be remitted to the State Treasurer under paragraph (2) of this subsection (a-5), the timing of which refund payment shall be determined by the clerk of the court based upon the availability of funds in the subject fund account. This refund shall be the mortgagor's sole remedy and a mortgagor shall have no private right of action against the plaintiff or plaintiff's representatives if the additional fee paid by the plaintiff was erroneous.

(5) This subsection (a-5) is inoperative on and after January 1, ~~2023~~ ~~2020~~.

(b) Not later than March 1 of each year, the clerk of the court shall submit to the Illinois Housing Development Authority a report of the funds collected and remitted pursuant to this Section during the preceding year.

(c) As used in this Section:

"Affiliate" means any company that controls, is controlled by, or is under common control with another company.

"Approved counseling agency" and "approved housing counseling" have the meanings ascribed to those terms in Section 7.30 of the Illinois Housing Development Act.

"Depository institution" means a bank, savings bank, savings and loan association, or credit union chartered, organized, or holding a certificate of authority to do business under the laws of this State, another state, or the United States.

"First tier foreclosure filing category" is a classification that only applies to a plaintiff that has filed 175 or more foreclosure complaints on residential real estate located in Illinois during the calendar year immediately preceding the date of the filing of the subject foreclosure complaint.

"Second tier foreclosure filing category" is a classification that only applies to a plaintiff that has filed at least 50, but no more than 174, foreclosure complaints on residential real estate located in Illinois during the calendar year immediately preceding the date of the filing of the subject foreclosure complaint.

"Third tier foreclosure filing category" is a classification that only applies to a plaintiff that has filed no more than 49 foreclosure complaints on residential real estate located in Illinois during the calendar year immediately preceding the date of the filing of the subject foreclosure complaint.

(d) In no instance shall the fee set forth in subsection (a-5) be assessed for any foreclosure complaint filed before the effective date of this amendatory Act of the 97th General Assembly.

(e) Notwithstanding any other law to the contrary, the Abandoned Residential Property Municipality Relief Fund is not subject to sweeps, administrative charge-backs, or any other fiscal maneuver that would in any way transfer any amounts from the Abandoned Residential Property Municipality Relief Fund into any other fund of the State.

(Source: P.A. 100-407, eff. 8-25-17.)

(735 ILCS 5/15-1507.1)

Sec. 15-1507.1. Judicial sale fee for Abandoned Residential Property Municipality Relief Fund.

(a) Upon and at the sale of residential real estate under Section 15-1507, the purchaser shall pay to the person conducting the sale pursuant to Section 15-1507 a fee for deposit into the Abandoned Residential Property Municipality Relief Fund, a special fund created in the State treasury. The fee shall be calculated at the rate of \$1 for each \$1,000 or fraction thereof of the amount paid by the purchaser to the person conducting the sale, as reflected in the receipt of sale issued to the purchaser, provided that in no event shall the fee exceed \$300. No fee shall be paid by the mortgagee acquiring the residential real estate pursuant to its credit bid at the sale or by any mortgagee, judgment creditor, or other lienor acquiring the residential real estate whose rights in and to the residential real estate arose prior to the sale. Upon confirmation of the sale under Section 15-1508, the person conducting the sale shall remit the fee to the clerk of the court in which the foreclosure case is pending. The clerk shall remit the fee to the State Treasurer as provided in this Section, to be expended for the purposes set forth in Section 7.31 of the Illinois Housing Development Act.

(b) All fees paid by purchasers as provided in this Section shall be disbursed within 60 days after receipt by the clerk of the court as follows: (i) 98% to the State Treasurer for deposit into the Abandoned Residential Property Municipality Relief Fund, and (ii) 2% to the clerk of the court to be retained by the clerk for deposit into the Circuit Court Clerk Operation and Administrative Fund to defray administrative expenses related to implementation of this Section.

(c) Not later than March 1 of each year, the clerk of the court shall submit to the Illinois Housing Development Authority a report of the funds collected and remitted during the preceding year pursuant to this Section.

(d) Subsections (a) and (b) of this Section are operative and shall become inoperative on January 1, ~~2023~~ 2017. This Section is repealed on March 2, ~~2023~~ 2017.

(e) All actions taken in the collection and remittance of fees under this Section before the effective date of this amendatory Act of the 101st General Assembly are ratified, validated, and confirmed.

(Source: P.A. 98-20, eff. 6-11-13; 99-493, eff. 12-17-15.)

ARTICLE 99. EFFECTIVE DATE

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

AMENDMENT NO. 2 TO SENATE BILL 1814

AMENDMENT NO. 2. Amend Senate Bill 1814, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 328, by replacing lines 15 through 25 with the following:

"(g) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year."; and

on page 1088, immediately below line 12, by inserting the following:

"ARTICLE 55. ACCESS TO JUSTICE GRANTS

[June 2, 2019]

Section 55-5. The Access to Justice Act is amended by adding Section 16 as follows:

(705 ILCS 95/16 new)

Sec. 16. Fiscal year 2020 grants. If and only if Senate Bill 262 of the 101st General Assembly becomes law, then funds appropriated for grants in Section 165 of Article 105 of Senate Bill 262 of the 101st General Assembly shall be awarded by the Department of Human Services in equal amounts to the Westside Justice Center and the Resurrection Project.

ARTICLE 60. URBAN WEATHERIZATION INITIATIVE

Section 60-5. The Urban Weatherization Initiative Act is amended by changing Section 40-20 as follows:

(30 ILCS 738/40-20)

Sec. 40-20. Award of grants.

(a) The Department shall award grants under this Article using a competitive request-for-proposal process administered by the Department and overseen by the Board. No more than 2% of funds used for grants may be retained by the Department for administrative costs, program evaluation, and technical assistance activities.

(b) The Department must award grants competitively in accordance with the priorities described in this Article. Grants must be awarded in support of the implementation, expansion, or implementation and expansion of weatherization and job training programs consistent with the priorities described in this Article. Strategies for grant use include, but are not limited to, the following:

(1) Repair or replacement of inefficient heating and cooling units.

(2) Addressing of air infiltration with weather stripping, caulking, thresholds, minor repairs to walls, roofs, ceilings, and floors, and window and door replacement.

(3) Repair or replacement of water heaters.

(4) Pipe, duct, or pipe and duct insulation.

(c) Portions of grant funds may be used for:

(1) Work-aligned training in weatherization skill sets, including skills necessary for career advancement in the energy efficiency field.

(2) Basic skills training, including soft-skill training, and other workforce development services, including mentoring, job development, support services, transportation assistance, and wage subsidies tied to training and employment in weatherization.

(c-5) Portions of grant funds may also be used for any purpose for which bonds are issued under Section 4 of the Build Illinois Bond Act.

(d) All grant applicants must include a comprehensive plan for local community engagement. Grant recipients may devote a portion of awarded funds to conduct outreach activities designed to assure that eligible households and relevant workforce populations are made aware of the opportunities available under this Article. A portion of outreach activities must occur in convenient, local intake centers, including but not limited to churches, local schools, and community centers.

(e) Any private, public, and non-profit entities that provide, or demonstrate desire and ability to provide, weatherization services that act to decrease the impact of energy costs on low-income areas and incorporate an effective local employment strategy are eligible grant applicants.

(f) For grant recipients, maximum per unit expenditure shall not exceed \$6,500.

(g) A grant recipient may not be awarded grants totaling more than \$500,000 per fiscal year.

(h) A grant recipient may not use more than 15% of its total grant amount for administrative expenses. (Source: P.A. 96-37, eff. 7-13-09)."

Under the rules, the foregoing **Senate Bill No. 1814**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1881

A bill for AN ACT concerning local government.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

[June 2, 2019]

House Amendment No. 1 to SENATE BILL NO. 1881
 House Amendment No. 2 to SENATE BILL NO. 1881
 House Amendment No. 5 to SENATE BILL NO. 1881
 Passed the House, as amended, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1881

AMENDMENT NO. 1. Amend Senate Bill 1881 by replacing everything after the enacting clause with the following:

"Section 5. The North Shore Water Reclamation District Act is amended by changing Section 0.1 as follows:

(70 ILCS 2305/0.1) (from Ch. 42, par. 276.99)

Sec. 0.1. This Act shall be known and ~~and~~ may be cited as the "North Shore Water Reclamation District Act".

(Source: P.A. 99-669, eff. 7-29-16.)."

AMENDMENT NO. 2 TO SENATE BILL 1881

AMENDMENT NO. 2. Amend Senate Bill 1881 by replacing everything after the enacting clause with the following:

"Article 1. Short Title.

Section 1-1. Short title. This Act may be cited as the Local Government Revenue Recapture Act.

Article 5. Local Government Revenue Recapture.

Section 5-5. Definitions. As used in this Article:

"Department" means the Department of Revenue.

"Family member" means the following, whether by whole blood, half-blood, or adoption:

- (1) a parent or step-parent;
- (2) a child or step-child;
- (3) a grandparent or step-grandparent;
- (4) an aunt, uncle, great-aunt, or great-uncle;
- (5) a sibling;
- (6) a spouse or domestic partner; and
- (7) the spouse or domestic partner of any person referenced in items (1) through (5).

"Financial information" means the information provided to the municipality or county by the Department under Section 11 of the Retailers' Occupation Tax Act that is reported to the Department by a business located in a given municipality or county.

"Person" means an individual, sole proprietorship, corporation, registered limited liability partnership, limited liability company, partnership, professional service corporation, or any other form of organization.

"Misallocation" means tax paid by the taxpayer and allocated to one unit of local government that should have been allocated to a different unit of local government. "Misallocation" does not include amounts overpaid by the taxpayer and therefore not owed to any unit of local government, nor amounts underpaid by the taxpayer and therefore not previously allocated to any unit of local government.

"Monitoring disbursements" means keeping track of payments from the Department by a municipality, county, or third party for the limited purpose of tracking previous misallocations.

"Third party" means a person, partnership, corporation, or other entity or individual registered to do business in Illinois who contracts with a municipality or county to review financial information related to the disbursement of local taxes by the Department to the municipality or county.

Section 5-10. Contracts with third parties. A municipality or county that receives a disbursement of tax proceeds from the Department may contract with a third party for the purpose of ensuring that the municipality or county receives the correct disbursement from the Department and monitoring disbursements. The third party may not contact the Department on behalf of the municipality or county, but instead must work directly with the municipality or county to acquire financial information. To be eligible to receive financial information from the municipality or county, the third party must:

[June 2, 2019]

- (1) enter into a confidentiality agreement with the municipality or county in the form and manner required by the Department prior to receiving the financial information;
- (2) have an existing contract with the municipality or county at the time the third party enters into the confidentiality agreement with the municipality or county; a copy of that existing contract must be on file with the Department;
- (3) abide by the same conditions as the municipality or county with respect to the furnishing of financial information under Section 11 of the Retailers' Occupation Tax Act; and
- (4) be registered with the Department as required by Section 5-35 of this Act.

Section 5-15. Financial information. The third party may use the financial information it receives from the contracting municipality or county only for the purpose of providing services to the municipality or county as specified in this Act and may not use the information for any other purpose. Electronic data submitted to third parties or by the contracting municipality or county must be accessible only to third parties who have entered into a confidentiality agreement with the municipality or county or who have an existing contract with the municipality or county.

Section 5-20. Retention, collection, disclosure, and destruction of financial information.

(a) A third party in possession of a taxpayer's financial information must permanently destroy that financial information pursuant to this Act. The financial information shall be destroyed upon the soonest of the following to occur:

(1) if the taxpayer is not referred to the Department, within 30 days after receipt of the taxpayer's financial information from either the municipality or county, unless the third party is monitoring disbursements from the Department on an ongoing basis for a municipality or county; or

(2) within 30 days after the Department receives a taxpayer audit referral from a third party referring the taxpayer to the Department for additional review.

(b) No third party in possession of financial information may sell, lease, trade, market, or otherwise utilize or profit from a taxpayer's financial information, except for a fee as negotiated by the municipality or county. The fee may be in the form of a contingency fee for a percentage of the amount of additional distributions the municipality or county receives for no more than 3 years following the first disbursement to the municipality or county as a result of the services of the third party under this Act.

(c) No third party may permanently or temporarily collect, capture, purchase, use, receive through trade, or otherwise retain a taxpayer's financial information beyond the scope of subsection (a) of this Section.

(d) No third party in possession of confidential information may disclose, redisclose, share, or otherwise disseminate a taxpayer's financial information.

(e) A third party must dispose of the materials containing financial information in a manner that renders the financial information unreadable, unusable, and undecipherable. Proper disposal methods include, but are not limited to, the following:

(1) in the case of paper documents, burning, pulverizing, or shredding so that the information cannot practicably be read or reconstructed; and

(2) in the case of electronic media and other non-paper media containing information, destroying or erasing so that information cannot practicably be read, reconstructed, or otherwise utilized by the third party or others.

Section 5-25. Notice of intent to contract; award of contracts. A municipality or county that chooses to contract with a third party pursuant to this Act shall follow all rules set forth in the Illinois Municipal Code or the Counties Code, as applicable, concerning those contracts.

Section 5-30. Posting results. Annually, the third party shall provide the municipality or county with a final summary of the review for publication. It is the responsibility of the third party to ensure that this summary includes no personal or identifying information of taxpayers and that all such taxpayer information is kept confidential. If the summary includes any discussion of tax revenue, it shall include only aggregate amounts by tax type, and shall in no way include information about an individual return or an individual taxpayer, even with identifying information redacted. In addition, due to the preliminary nature of such a summary based only on unaudited financial information, no claim of specific tax savings or revenue generation may be made in the summary.

Section 5-35. Third party registration.

(a) Beginning on January 1, 2020, no person shall engage in business as a third party pursuant to this Act in this State without first having registered with the Department. Application for registration or renewal of registration shall be made to the Department, by electronic means, in a form and at the time prescribed by the Department. Each applicant for registration or renewal of registration under this Section shall furnish to the Department, in an electronic format established by the Department, the following information:

- (1) the name and address of the applicant;
- (2) the address of the location at which the applicant proposes to engage in business as a third party in this State;
- (3) valid and updated contact information;
- (4) attestation of good standing to do business in Illinois;
- (5) a copy of each contract it has entered into with a municipality or county; if an applicant has a contract with a municipality or county prior to the effective date of this Act, a copy of all existing contracts must be provided;
- (6) an annual certification of process letter that:
 - (A) is signed by an attorney or certified public accountant licensed and authorized to practice in the State of Illinois;
 - (B) contains findings that, after due diligence, the author is of the opinion that:
 - (i) the third party's confidentiality standards for storing encrypted data at rest, using a cryptographic algorithm, conform to the Federal Information Processing Standard (FIPS) Publication 140-2;
 - (ii) the third party uses multi-factor authentication;
 - (iii) the third party uses HTTPS with at least TLS 1.2 or its successor to protect the data files while in transit between a browser and server;
 - (iv) the third party adheres to best practices as recommended by the Open Web Application Security Project (OWASP);
 - (v) the third party has a firewall which protects against unauthorized use of the data; and
 - (vi) the third party shall maintain a physical location in this State at all times; if, at any time, the third party fails to have a physical location in this State, the third party's registration shall be revoked; and
- (7) such other additional information as the Department may require by rule.

The annual registration fee payable to the Department for each third party shall be \$15,000. The fee shall be deposited into the Tax Compliance and Administration Fund and shall be used for the cost of administering the certified audit pilot project under Article 10.

Each applicant shall pay the fee to the Department at the time of submitting its application or renewal to the Department. The Department may require an applicant under this Section to electronically file and pay the fee.

(b) The following are ineligible to register as a third party under this Act:

- (1) a person who has been convicted of a felony related to financial crimes under any federal or State law, if the Department, after investigation and a hearing if requested by the applicant, determines that the person has not been sufficiently rehabilitated to warrant the public trust, including an individual or any employee, officer, manager, member, partner, or director of an entity that has been convicted as provided in this paragraph (1);
- (2) a person, if any employee, contractual employee, officer, manager, or director thereof, or any person or persons owning in the aggregate more than 5% thereof, is employed by or appointed or elected to the corporate authorities of any municipality or county in this State;
- (3) a person, if any employee, contractual employee, officer, manager, or director thereof, or any person or persons owning in the aggregate more than 5% thereof, is not or would not be eligible to receive a certificate of registration under this Act or a license under the Illinois Public Accounting Act for any reason;
- (4) a person who is a family member of any person who is employed by or appointed or elected to the corporate authorities of any municipality or county in the State;
- (5) a person who is a qualified practitioner, as defined by Section 10-15 of this Act;
- (6) a third party owned, in whole or in part, by any entity that competes directly or indirectly with any taxpayer whose financial information they are seeking or receiving; and
- (7) a third party owning in whole or in part, directly or indirectly, any entity that competes, directly or indirectly, with any taxpayer whose financial information they are seeking or receiving.

(c) The Department shall begin accepting applications no later than January 1, 2020. Upon receipt of an application and registration fee in proper form from a person who is eligible to register as a third party under this Act, the Department shall issue, within 60 days after receipt of an application, a certificate of registration to such applicant in such form as prescribed by the Department. That certificate of registration shall permit the applicant to whom it is issued to engage in business as a third party under this Act. All certificates of registration issued by the Department under this Section shall be valid for a period not to exceed one year after issuance unless sooner revoked or suspended as provided in this Act. No certificate of registration issued under this Section is transferable or assignable. A person who obtains a certificate of registration as a third party who ceases to do business as specified in the certificate of registration, or who never commenced business, or whose certificate of registration is suspended or revoked, shall immediately surrender the certificate of registration to the Department.

(d) Any person aggrieved by any decision of the Department under this Section may, within 60 days after notice of the decision, protest and request a hearing. Upon receiving a request for a hearing, the Department shall give written notice to the person requesting the hearing of the time and place fixed for the hearing and shall hold a hearing and then issue its final administrative decision in the matter to that person within 60 days after the date of the hearing. In the absence of a protest and request for a hearing within 60 days, the Department's decision shall become final without any further determination being made or notice given.

(e) All final decisions by the Department under this Section are subject to judicial review under the provisions of the Administrative Review Law.

Section 5-37. Insurance policy requirement. A third party is required to file and maintain in force an insurance policy issued by an insurance company authorized to transact fidelity and surety business in the State of Illinois. The insurance policy shall be for coverage of potential legal claims, including, by not limited to, penalties set forth under Section 5-60, embezzlement, dishonesty, fraud, omissions or errors, or other financial wrongdoing in the course of providing services. The policy shall be in the form prescribed by the Department in the sum of \$500,000. The policy shall be continuous in form and run concurrently with the original and each renewal certification period unless terminated by the insurance company. An insurance company may terminate a policy and avoid further liability by filing a 60-day notice of termination with the Department and at the same time sending the same notice to the licensee. A license shall be canceled on the termination date of the policy unless a new policy is filed with the Department and becomes effective at the termination date of the prior policy. If a policy has been canceled under this Section, the third party must file a new application and will be considered a new applicant if it obtains a new policy.

Section 5-40. Revocation or suspension of certification.

(a) A contracting municipality or county shall refuse to provide any information, including financial information, to any third party who violates this Act or rules adopted pursuant to this Act or the Retailers' Occupation Tax Act or rules adopted pursuant to the Retailers' Occupation Tax Act.

(b) The Department may, after notice and a hearing, revoke or suspend the certificate of registration of any third party for a violation of any provision of this Act, for noncompliance with any provision contained in this Act, or because the Department determines that the third party is ineligible for a certificate of registration for any one or more of the reasons provided for in Section 5-35 of this Act. The decision whether to suspend or revoke and, if a suspension is in order, the duration of the suspension shall be made by taking into account factors that include but are not limited to, the registrant's previous history of compliance with the Act as of its creation, the number, seriousness, and duration of the violations, and the registrant's cooperation in discontinuing and correcting violations.

Section 5-50. Audit referrals; restrictions.

(a) Upon entering into a contract with a municipality or county, a third party shall be prohibited from communicating directly or indirectly in any manner with a taxpayer known or believed to be operating within that municipality or county about any matters directly or indirectly related to, or covered by, the contract.

(b) If, based on a review of the financial information provided by the Department to a municipality or a county, or provided by a municipality or county to a registered third party, a municipality, county, or third party discovers that local retailers' or service occupation tax may have been underpaid, then it may refer the matter to the Department for a limited-scope audit in accordance with Article 10 of this Act.

(c) With respect to taxes administered by the Department, units of local government and third parties are not authorized to (i) access, review, or compel the production of taxpayers' actual tax returns or (ii) access, review, or compel the production of taxpayers' books and records.

(d) With respect to taxes administered by the Department, units of local government and third parties are prohibited from (i) engaging in an audit of any taxpayer, (ii) assessing tax against any taxpayer, (iii) engaging in collection actions against any taxpayer for the tax, or (iv) engaging in any other action related to such taxes that is assigned by law to the Department.

(e) A local government shall not share any financial information received with another local government or another third party. Further, a local government may not share the findings of a third party with another local government or another third party.

Section 5-55. No basis for action under Illinois False Claims Act. No information received by a municipality, county, third party, or any other person or entity under this Act shall be the basis for filing an action by a private person under the Illinois False Claims Act.

Section 5-60. Penalties.

(a) Any third party who violates any provision of this Act shall be subject to the penalties set forth in Section 11 of the Retailers' Occupation Tax Act.

(b) Any third party who violates Section 5-20 is subject to a civil penalty of not more than \$10,000 for each taxpayer with respect to whom financial information is improperly disclosed, profited from, or disposed of in violation of that Section. The Attorney General may impose a civil penalty not to exceed \$50,000 for each instance of improper disposal of materials containing financial information. The Attorney General may impose a civil penalty after notice to the person accused of violating Section 5-20 and an opportunity for that person to be heard in the matter. The Attorney General may file a civil action in the circuit court to recover any penalty imposed for a violation of Section 5-20. In addition to the authority to impose a civil penalty under this Section, the Attorney General may bring an action in the circuit court to remedy a violation of this Section, seeking any appropriate relief.

(c) Neither the State nor any municipality or county shall be held liable for the mishandling of information by a third party, including information from the Department or any other financial information of taxpayers.

(d) Any taxpayer aggrieved by a violation of this Act shall have a right of action in a State circuit court or as a supplemental claim in federal district court against a third party. A taxpayer may recover for each violation:

(1) against a third party that, by gross negligence, violates a provision of this Act, liquidated damages of \$5,000 or actual damages, whichever is greater;

(2) against a third party that intentionally or recklessly violates a provision of this Act, liquidated damages of \$10,000 or actual damages, whichever is greater;

(3) reasonable attorney's fees and costs, including expert witness fees and other litigation expenses; and

(4) other relief, including an injunction, as the State or federal court may deem appropriate.

Article 10. Local Government Revenue Recapture Certified Audit Pilot Program.

Section 10-5. Findings. The General Assembly finds that:

(1) Voluntary compliance is the cornerstone of an effective tax system.

(2) Despite attempts by the General Assembly, State taxes are not simple.

(3) Even the most diligent taxpayers, through mistake or inadvertence, may not pay all taxes due.

(4) The Department lacks the resources to audit the compliance of all taxpayers.

(5) Illinois certified public accountants provide valuable advice and assistance to Illinois taxpayers on State tax issues.

(6) A pilot program establishing a partnership between taxpayers, Illinois certified public accountants, and the Department will provide guidance to taxpayers and enhance voluntary compliance.

(7) A pilot project to establish a certified audit program to address underpayment of local occupation and use taxes would address concerns raised by units of local government.

Section 10-10. Purpose. The purpose of this Article is to create a certified audit program under a 5-year pilot project that is limited in scope to specifically address concerns related to the proper reporting and payment of local occupation and use taxes that are collected and distributed to municipalities and counties by the Department.

Section 10-15. Definitions. As used in this Article:

"Audit" means an agreed-upon procedures engagement in accordance with Statements on Standards for the Attestation Engagements (AICPA Professional Standards, AT-C Section 315 (Compliance Attest)).

"Certification program" means an instructional curriculum, examination, and process for certification, recertification, and revocation of certification of certified public accountants that is administered by the Department with the assistance of the Illinois CPA Society and that is officially approved by the Department to ensure that a certified public accountant possesses the necessary skills and abilities to successfully perform an attestation engagement for a limited-scope tax compliance review in a certified audit project under this Act.

"Department" means the Department of Revenue.

"Family member" means the following, whether by whole blood, half-blood, or adoption:

- (1) a parent or step-parent;
- (2) a child or step-child;
- (3) a grandparent or step-grandparent;
- (4) an aunt, uncle, great-aunt, or great-uncle;
- (5) a sibling;
- (6) a spouse or domestic partner; and
- (7) the spouse or domestic partner of any person referenced in items (1) through (5).

"Misallocation" means tax paid by the taxpayer and allocated to one unit of local government that should have been allocated to a different unit of local government. "Misallocation" does not include amounts overpaid by the taxpayer and therefore not owed to any unit of local government, nor amounts underpaid by the taxpayer and therefore not previously allocated to any unit of local government.

"Participating taxpayer" means any person subject to the revenue laws administered by the Department who is the subject of a tax compliance referral by a municipality, county, or third party, who enters into an engagement with a qualified practitioner for a limited-scope tax compliance review under this Act, and who is approved by the Department under the local government revenue recapture certified audit pilot project.

"Qualified practitioner" means a certified public accountant who is licensed or registered to perform accountancy activities in Illinois under Section 8.05 of the Illinois Public Accounting Act and who has met all requirements for the local government revenue recapture certified audit training course, achieved the required score on the certification test as approved by the Department, and been certified by the Department. "Qualified practitioner" does not include a third party, as defined by Section 5-5 of this Act, or any employee, contractual employee, officer, manager, or director thereof, any person or persons owning in the aggregate more than 5% of such third party, or a person who is a family member of any person who is employed by or is an appointed or elected member of any corporate authorities, as defined in the Illinois Municipal Code.

Section 10-20. Local government revenue recapture certified audit project.

(a) The Department shall initiate a certified audit pilot project to further enhance tax compliance reviews performed by qualified practitioners and to encourage taxpayers to hire qualified practitioners at their own expense to review and report on certain aspects of their sales tax and use tax compliance in cases where the Department has notified the taxpayer that it has received a tax compliance referral from a municipality, county, or third party under this Act. The nature of the certified audit work performed by qualified practitioners shall be agreed-upon procedures of a Compliance Attestation in which the Department is the specified user of the resulting report. Qualified practitioners are prohibited from using information obtained from audit manuals, training materials, or any other materials provided by the Department under this Act for any purpose other than to perform the tax compliance reviews under the certified audit pilot program under this Act.

The tax compliance reviews shall be limited in scope and may include include only: (i) whether the taxpayer is reporting receipts in the proper jurisdiction; (ii) whether asset purchases by the taxpayer were taxed properly; (iii) an evaluation of sales reported as exempt from tax; (iv) whether the proper tax rate was charged; (v) whether the tax was properly reported as retailers' occupation tax or use tax; and (vi) any

other factor that impacts the Department's allocation of sales and use tax revenues to the jurisdiction in which the taxpayer reports sales or use tax.

(b) As an incentive for taxpayers to incur the costs of a certified audit, the Department shall abate penalties due on any tax liabilities revealed by a certified audit, except that this authority to abate penalties shall not apply to any liability for taxes that were collected by the participating taxpayer but not remitted to the Department, nor shall the Department have the authority to abate fraud penalties.

(c) The certified audit pilot project shall apply only to taxpayers who have been notified that an audit referral has been received by the Department under this Act and only to occupation and use taxes administered and collected by the Department.

(d) The certified audit pilot project shall begin with audit referrals received on and after January 1, 2020. Upon obtaining proper certification, qualified practitioners may initiate certified audits beginning January 1, 2020.

Section 10-25. Practitioner responsibilities. Any practitioner responsible for planning, directing, or conducting a certified audit or reporting on a participating taxpayer's tax compliance shall be a qualified practitioner. For purposes of this Section, a qualified practitioner is responsible for:

(1) planning a certified audit when performing work that involves determining the objectives, scope, and methodology of the certified audit, when establishing criteria to evaluate matters subject to the review as part of the certified audit, when gathering information used in planning the certified audit, or when coordinating the certified audit with the Department;

(2) directing a certified audit when the work involves supervising the efforts or reviewing the work of others to determine whether it is properly accomplished and complete;

(3) conducting a certified audit when performing tests and procedures or field audit work necessary to accomplish the audit objectives in accordance with applicable professional standards;

(4) reporting on a participating taxpayer's tax compliance in a certified audit when determining report contents and substance or reviewing reports for technical content and substance prior to issuance; and

(5) answering questions by Department review staff, answering questions raised by the Informal Conference Board, and testifying in any administrative or court proceeding regarding the audit or report.

Section 10-30. Local government revenue recapture audit referral.

(a) A third party shall not refer a taxpayer to the Department for audit consideration unless the third party is registered with the Department pursuant to Section 5-35.

(b) If, based on a review of the financial information provided by the Department to a municipality or county, or provided by a municipality or county to a registered third party, the municipality or county discovers that a taxpayer may have underpaid local retailers' or service occupation taxes, then it may refer the matter to the Department for audit consideration. The tax compliance referral may be made only by the municipality, county, or third party and shall be made in the form and manner required by the Department, including any requirement that the referral be submitted electronically. The tax compliance referral shall, at a minimum, include proof of registration as a third party, a copy of a contract between the third party and the county or municipality, the taxpayer's name, Department account identification number, mailing address, and business location, and the specific reason for the tax compliance referral, including as much detail as possible.

(c) The Department shall complete its evaluation of all audit referrals under this Act within 60 days after receipt of the referral and shall handle all audit referrals as follows:

(1) the Department shall evaluate the referral to determine whether it is sufficient to warrant further action based on the information provided in the referral, any other information the Department possesses, and audit selection procedures of the Department;

(2) if the Department determines that the referral is not actionable, then the Department shall notify the local government that it has evaluated the referral and has determined that no action is deemed necessary and provide the local government with an explanation for that decision;

(3) if the Department determines that the referral is actionable, then it shall determine whether the taxpayer is currently under audit or scheduled for audit;

(A) if the taxpayer is not currently under audit or scheduled for audit, the

Department shall determine whether it will schedule the taxpayer for audit; and

(B) if the taxpayer is not under audit by the Department or scheduled for audit by

the Department and the Department decides to schedule the taxpayer for audit, then the Department shall notify the taxpayer that the Department has received an actionable audit referral on the taxpayer and issue a notice to the taxpayer as provided under subsection (d) of this Section.

(d) The notice to the taxpayer required by subparagraph (B) of paragraph (3) of subsection (c) shall include, but not be limited to, the following:

(1) that the taxpayer must either: (A) engage a qualified practitioner, at the taxpayer's expense, to complete a certified audit, limited in scope to the taxpayer's Retailers' Occupation Tax, Use Tax, Service Occupation Tax, or Service Use Tax liability, and the taxpayer's liability for any local retailers' or service occupation tax administered by the Department; or (B) be subject to audit by the Department;

(2) that, as an incentive, for taxpayers who agree to the limited-scope certified audit, the Department shall abate penalties as provided in Section 10-20; and

(3) A statement that reads: "[INSERT THE NAME OF THE ELECTED CHIEF EXECUTIVE OF THE

CORPORATE AUTHORITY] has contracted with [INSERT THIRD PARTY] to review your Retailers' Occupation Tax, Use Tax, Service Occupation Tax, Service Use Tax, and any local retailers' or service occupation taxes reported to the Illinois Department of Revenue ("Department"). [INSERT THE NAME OF THE ELECTED CHIEF EXECUTIVE OF THE CORPORATE AUTHORITY] and [INSERT THE THIRD PARTY] have selected and referred your business to the Department for a certified audit of your Retailers' Occupation Tax, Use Tax, Service Occupation Tax, Service Use Tax, and any local retailers' or service occupation taxes reported to the Department pursuant to the Local Government Revenue Recapture Act. The purpose of the audit is to verify that your business reported and submitted the proper Retailers' Occupation Tax, Use Tax, Service Occupation Tax, Service Use Tax, and any local retailers' or service occupation taxes administered by the Department. The Department is required to disclose your confidential financial information to [INSERT THE NAME OF THE ELECTED CHIEF EXECUTIVE OF THE CORPORATE AUTHORITY] and [INSERT THE THIRD PARTY]. Additional information can be accessed from the Department's website and publications for a basic overview of your rights as a Taxpayer. If you have questions regarding your business's referral to the Department for audit, please contact [CORPORATE AUTHORITY'S] mayor, village president, or any other person serving as [CORPORATE AUTHORITY'S] chief executive officer or chief financial officer. [INSERT THIRD PARTY] is prohibited from discussing this matter with you directly or indirectly in any manner regardless of who initiates the contact. If [INSERT THIRD PARTY] contacts you, please contact the Department."

(e) Within 90 days after notice by the Department, the taxpayer must respond by stating in writing whether it will or will not arrange for the performance of a certified audit under this Act. If the taxpayer states that it will arrange for the performance of a certified audit, then it must do so within 60 days after responding to the Department or within 90 days after notice by the Department, whichever comes first. If the taxpayer states that it will not arrange for the performance of a certified audit or if the taxpayer does not arrange for the performance of a certified audit within 180 days after notice by the Department, then the Department may schedule the taxpayer for audit by the Department.

(f) The certified audit must not be a contingent-fee engagement and must be completed in accordance with this Article 10.

Section 10-35. Notification by qualified practitioner.

(a) A qualified practitioner hired by a taxpayer who elects to perform a certified audit under Section 10-30 shall notify the Department of an engagement to perform a certified audit and shall provide the Department with the information the Department deems necessary to identify the taxpayer, to confirm that the taxpayer is not already under audit by the Department, and to establish the basic nature of the taxpayer's business and the taxpayer's potential exposure to Illinois occupation and use tax laws. The information provided in the notification shall be submitted in the form and manner required by the Department and shall include the taxpayer's name, federal employer identification number or social security number, Department account identification number, mailing address, and business location, and the specific occupation and use taxes and period proposed to be covered by the engagement for the certified audit. In addition, the notice shall include the name, address, identification number, contact person, and telephone number of the engaged firm. An engagement for a qualified practitioner to perform a certified audit under this Act shall not be authorized by the Department unless the taxpayer received notice from the Department under subparagraph (b) of paragraph (3) of subsection (c) of Section 10-30.

(b) If the taxpayer has received notice of an audit referral from the Department and has not been issued a written notice of intent to conduct an audit, the taxpayer shall be a participating taxpayer and the

Department shall so advise the qualified practitioner in writing within 10 days after receipt of the engagement notice. However, the Department may exclude a taxpayer from a certified audit or may limit the taxes or periods subject to the certified audit on the basis that: (i) the Department has previously conducted an audit; (ii) the Department is in the process of conducting an investigation or other examination of the taxpayer's records; (iii) the taxpayer has already been referred to the Department pursuant to Section 10-30 and the Department determined an audit referral is not actionable; (iv) the Department or a qualified practitioner has previously conducted an audit under Section 10-30 of this Act; or (v) for just cause.

(c) Within 30 days after receipt of the notice of qualification from the Department under subsection (b), the qualified practitioner shall contact the Department and submit, for review and agreement by the Department, a proposed audit plan and procedures. The Department may extend the time for submission of the plan and procedures for reasonable cause. The qualified practitioner shall initiate action to advise the Department that amendment or modification of the plan and procedures is necessary if the qualified practitioner's inspection reveals that the taxpayer's circumstances or exposure to the revenue laws is substantially different from those described in the engagement notice.

Section 10-40. Audit performance and review.

(a) Upon the Department's designation of the agreed-upon procedures to be followed by a practitioner in a certified audit, the qualified practitioner shall perform the engagement and shall timely submit a completed report to the Department in the form and manner required by the Department and professional standards. The report shall affirm completion of the agreed-upon procedures and shall provide any required disclosures.

(b) The Department shall review the report of the certified audit and shall accept it when it is determined to be complete by the qualified practitioner. Once the report is accepted by the Department, the Department shall issue a notice of proposed assessment reflecting the determination of any additional liability reflected in the report and shall provide the taxpayer with all the normal payment, protest, and appeal rights with respect to the liability, including the right to a review by the Informal Conference Board. In cases in which the report indicates an overpayment has been made, the taxpayer shall submit a properly executed claim for credit or refund to the Department. Otherwise, the certified audit report is a final and conclusive determination with respect to the tax and period covered. No additional assessment may be made by the Department for the specific taxes and period referenced in the report, except upon a showing of fraud or material misrepresentation. This determination shall not prevent the Department from collecting liabilities not covered by the report or from conducting an audit or investigation and making an assessment for additional tax, penalty, or interest for any tax or period not covered by the report.

(c) A notice of proposed assessment issued by the Department under this Act is subject to the statute of limitations for assessments under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, and any local retailers' or service occupation tax, as appropriate, and local taxes collected on assessments issued shall be allocated to units of local government for the full period of the statute of limitations in accordance with those Acts and any applicable local retailers' or service occupation tax Act. The Department shall provide notice in writing to the municipality or county and the third party, if applicable, of any audit findings, determinations, or collections once finalized.

Claims for credit or refund filed by taxpayers under this Act are subject to the statute of limitations under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, and any local retailers' or service occupation tax Act, as appropriate, and any credit or refund of local taxes allowed to the taxpayer shall be de-allocated from units of local government for the full period of the statute of limitations in accordance with those Acts and any applicable local retailers' or service occupation tax Act.

With respect to misallocations discovered under this Act, the Department shall increase or decrease the amount allocated to a unit of local government by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered.

(d) Under no circumstances may a person, including a municipality or county or third party, other than the person audited and his or her attorney, have any right to participate in an appeal or other proceeding regarding the audit, participate in settlement negotiations, challenge the validity of any settlement between the Department and any person, or review any materials, other than financial information as otherwise provided in this Act, that are subject to the confidentiality provisions of the underlying tax act. In addition, the Department's determination of whether to audit a taxpayer or the result of the audit creates no justiciable cause of action, and any adjudication related to this program is limited to the taxpayer's rights

in an administrative hearing held by the Department, an administrative hearing held by the Illinois Independent Tax Tribunal, or related to payments made under protest as provided in Section 2a.1 of the State Officers and Employees Money Disposition Act, as appropriate.

Section 10-45. Rules. To implement the certified audit project, the Department shall have authority to adopt rules, including, but not limited to:

- (1) rules concerning the availability of the certification program required for participation in the project;
- (2) rules concerning the requirements and basis for establishing just cause for approval or rejection of participation by taxpayers;
- (3) rules setting forth procedures for assessment, collection, and payment of liabilities or refund of overpayments and provisions for taxpayers to obtain informal and formal review of certified audit results;
- (4) rules concerning the nature, frequency, and basis for the Department's review of certified audits conducted by qualified practitioners, including the requirements for documentation, work-paper retention and access, and reporting; and
- (5) rules setting forth requirements for conducting certified audits and for review of agreed-upon procedures.

Article 900. Amendatory Provisions.

Section 900-5. The Retailers' Occupation Tax Act is amended by changing Section 11 as follows:
(35 ILCS 120/11) (from Ch. 120, par. 450)

Sec. 11. All information received by the Department from returns filed under this Act, or from any investigation conducted under this Act, shall be confidential, except for official purposes, and any person, including a third party as defined in the Local Government Revenue Recapture Act, who divulges any such information in any manner, except in accordance with a proper judicial order or as otherwise provided by law, including the Local Government Revenue Recapture Act, shall be guilty of a Class B misdemeanor with a fine not to exceed \$7,500.

Nothing in this Act prevents the Director of Revenue from publishing or making available to the public the names and addresses of persons filing returns under this Act, or reasonable statistics concerning the operation of the tax by grouping the contents of returns so the information in any individual return is not disclosed.

Nothing in this Act prevents the Director of Revenue from divulging to the United States Government or the government of any other state, or any officer or agency thereof, for exclusively official purposes, information received by the Department in administering this Act, provided that such other governmental agency agrees to divulge requested tax information to the Department.

The Department's furnishing of information derived from a taxpayer's return or from an investigation conducted under this Act to the surety on a taxpayer's bond that has been furnished to the Department under this Act, either to provide notice to such surety of its potential liability under the bond or, in order to support the Department's demand for payment from such surety under the bond, is an official purpose within the meaning of this Section.

The furnishing upon request of information obtained by the Department from returns filed under this Act or investigations conducted under this Act to the Illinois Liquor Control Commission for official use is deemed to be an official purpose within the meaning of this Section.

Notice to a surety of potential liability shall not be given unless the taxpayer has first been notified, not less than 10 days prior thereto, of the Department's intent to so notify the surety.

The furnishing upon request of the Auditor General, or his authorized agents, for official use, of returns filed and information related thereto under this Act is deemed to be an official purpose within the meaning of this Section.

Where an appeal or a protest has been filed on behalf of a taxpayer, the furnishing upon request of the attorney for the taxpayer of returns filed by the taxpayer and information related thereto under this Act is deemed to be an official purpose within the meaning of this Section.

The furnishing of financial information to a municipality or county, upon request of the chief executive officer thereof, is an official purpose within the meaning of this Section, provided the municipality or county agrees in writing to the requirements of this Section. Information provided to municipalities and counties under this paragraph shall be limited to: (1) the business name; (2) the business address; (3) the standard classification number assigned to the business; (4) net revenue distributed to the requesting

municipality or county that is directly related to the requesting municipality's or county's local share of the proceeds under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act distributed from the Local Government Tax Fund, and, if applicable, any locally imposed retailers' occupation tax or service occupation tax; and (5) a listing of all businesses within the requesting municipality or county by account identification number and address. On and after July 1, 2015, the furnishing of financial information to municipalities and counties under this paragraph may be by electronic means. If the Department may furnish financial information to a municipality or county under this paragraph, then the chief executive officer of the municipality or county may, in turn, provide that financial information to a third party pursuant to the Local Government Revenue Recapture Act. However, the third party shall agree in writing to the requirements of this Section and meet the requirements of the Local Government Revenue Recapture Act.

Information so provided shall be subject to all confidentiality provisions of this Section. The written agreement shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information. For the purposes of furnishing financial information to a municipality or county under this Section, "chief executive officer" means the mayor of a city, the village board president of a village, the mayor or president of an incorporated town, the county executive of a county that has adopted the county executive form of government, the president of the board of commissioners of Cook County, or the chairperson of the county board or board of county commissioners of any other county.

The Department may make available to the Board of Trustees of any Metro East Mass Transit District information contained on transaction reporting returns required to be filed under Section 3 of this Act that report sales made within the boundary of the taxing authority of that Metro East Mass Transit District, as provided in Section 5.01 of the Local Mass Transit District Act. The disclosure shall be made pursuant to a written agreement between the Department and the Board of Trustees of a Metro East Mass Transit District, which is an official purpose within the meaning of this Section. The written agreement between the Department and the Board of Trustees of a Metro East Mass Transit District shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information. Information so provided shall be subject to all confidentiality provisions of this Section.

The Director may make available to any State agency, including the Illinois Supreme Court, which licenses persons to engage in any occupation, information that a person licensed by such agency has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. The Director may make available to any State agency, including the Illinois Supreme Court, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to collect and remit Illinois Use tax on sales into Illinois, or any tax under this Act or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. The Director may make available to units of local government and school districts that require bidder and contractor certifications, as set forth in Sections 50-11 and 50-12 of the Illinois Procurement Code, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to collect and remit Illinois Use tax on sales into Illinois, file returns under this Act, or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this Section, an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this Section, the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

The Director may make available to any State agency, including the Illinois Supreme Court, units of local government, and school districts, information regarding whether a bidder or contractor is an affiliate of a person who is not collecting and remitting Illinois Use taxes for the limited purpose of enforcing bidder and contractor certifications.

The Director may also make available to the Secretary of State information that a limited liability company, which has filed articles of organization with the Secretary of State, or corporation which has been issued a certificate of incorporation by the Secretary of State has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. An assessment is final when all proceedings in court for review of such

assessment have terminated or the time for the taking thereof has expired without such proceedings being instituted.

The Director shall make available for public inspection in the Department's principal office and for publication, at cost, administrative decisions issued on or after January 1, 1995. These decisions are to be made available in a manner so that the following taxpayer information is not disclosed:

(1) The names, addresses, and identification numbers of the taxpayer, related entities, and employees.

(2) At the sole discretion of the Director, trade secrets or other confidential information identified as such by the taxpayer, no later than 30 days after receipt of an administrative decision, by such means as the Department shall provide by rule.

The Director shall determine the appropriate extent of the deletions allowed in paragraph (2). In the event the taxpayer does not submit deletions, the Director shall make only the deletions specified in paragraph (1).

The Director shall make available for public inspection and publication an administrative decision within 180 days after the issuance of the administrative decision. The term "administrative decision" has the same meaning as defined in Section 3-101 of Article III of the Code of Civil Procedure. Costs collected under this Section shall be paid into the Tax Compliance and Administration Fund.

Nothing contained in this Act shall prevent the Director from divulging information to any person pursuant to a request or authorization made by the taxpayer or by an authorized representative of the taxpayer.

(Source: P.A. 98-1058, eff. 1-1-15; 99-517, eff. 6-30-16.)

Section 900-10. The Illinois False Claims Act is amended by changing Section 3 as follows:
(740 ILCS 175/3) (from Ch. 127, par. 4103)

Sec. 3. False claims.

(a) Liability for certain acts.

(1) In general, any person who:

(A) knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;

(B) knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

(C) conspires to commit a violation of subparagraph (A), (B), (D), (E), (F), or (G);

(D) has possession, custody, or control of property or money used, or to be used, by the State and knowingly delivers, or causes to be delivered, less than all the money or property;

(E) is authorized to make or deliver a document certifying receipt of property used, or to be used, by the State and, intending to defraud the State, makes or delivers the receipt without completely knowing that the information on the receipt is true;

(F) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the State, or a member of the Guard, who lawfully may not sell or pledge property; or

(G) knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the State, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the State,

is liable to the State for a civil penalty of not less than the minimum amount and not more than the maximum amount allowed for a civil penalty for a violation of the federal False Claims Act (31 U.S.C. 3729 et seq.) as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461), plus 3 times the amount of damages which the State sustains because of the act of that person. Notwithstanding any other provision, a person is liable to the State for a civil penalty of not less than \$5,500 and not more than \$11,000, plus 3 times the amount of damages which the State sustains because of the act of that person, when: (i) the civil action was brought by a private person pursuant to paragraph (1) of subsection (b) of Section 4; (ii) the State did not elect to intervene pursuant to paragraph (2) of subsection (b) of Section 4; (iii) the actual amount of the tax owed to the State is equal to or less than \$50,000, which does not include interest, penalties, attorney's fees, costs, or any other amounts owed or paid pursuant to this Act; and (iv) the violation of this Act relates to or involves a false claim regarding a tax administered by the Department of Revenue, excluding claims, records, or statements made under the Property Tax Code. The penalties in this Section are intended to be remedial rather than punitive, and shall not preclude, nor be precluded by, a criminal prosecution for the same conduct.

(2) A person violating this subsection shall also be liable to the State for the costs

of a civil action brought to recover any such penalty or damages.

(b) Definitions. For purposes of this Section:

(1) The terms "knowing" and "knowingly":

(A) mean that a person, with respect to information:

- (i) has actual knowledge of the information;
- (ii) acts in deliberate ignorance of the truth or falsity of the information; or
- (iii) acts in reckless disregard of the truth or falsity of the information, and

(B) require no proof of specific intent to defraud.

(2) The term "claim":

(A) means any request or demand, whether under a contract or otherwise, for money or property and whether or not the State has title to the money or property, that

- (i) is presented to an officer, employee, or agent of the State; or
- (ii) is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the State's behalf or to advance a State program or interest, and if the State:

(I) provides or has provided any portion of the money or property requested or demanded; or

(II) will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded; and

(B) does not include requests or demands for money or property that the State has paid to an individual as compensation for State employment or as an income subsidy with no restrictions on that individual's use of the money or property.

(3) The term "obligation" means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

(4) The term "material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

(c) Exclusion. This Section does not apply to any taxes imposed, collected, or administered by the State of Illinois claims, records, or statements made under the Illinois Income Tax Act.

(Source: P.A. 100-452, eff. 8-25-17.)

Article 999. Effective Date.

Section 999-999. Effective date. This Act takes effect upon becoming law."

AMENDMENT NO. 5 TO SENATE BILL 1881

AMENDMENT NO. 5. Amend Senate Bill 1881, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, as follows:

on page 7, line 3, by replacing "2020," with "2021,;" and

on page 10, line 19, by replacing "2020." with "2021.;" and

by deleting line 22 on page 14 through line 1 on page 15; and

on page 17, line 13, after "project", by inserting "that begins on January 1, 2021 and"; and

on page 21, line 14, by replacing "2020." with "2021.;" and

on page 21, line 16, by replacing "2020." with "2021.;" and

by deleting line 12 on page 40 through line 17 on page 44; and

on page 44, line 19, by deleting "upon"; and

on page 44, by replacing lines 17 through 20 with the following:

"(Source: P.A. 100-452, eff. 8-25-17).".

Under the rules, the foregoing **Senate Bill No. 1881**, with House Amendments numbered 1, 2 and 5, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1939

A bill for AN ACT concerning finance.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1939

House Amendment No. 2 to SENATE BILL NO. 1939

Passed the House, as amended, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1939

AMENDMENT NO. 1. Amend Senate Bill 1939 by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by changing Section 1.1 as follows:
(30 ILCS 105/1.1) (from Ch. 127, par. 137.1)

Sec. 1.1. This Act shall be known and may be cited as the "State Finance Act".
(Source: P.A. 86-109.)"

AMENDMENT NO. 2 TO SENATE BILL 1939

AMENDMENT NO. 2. Amend Senate Bill 1939, AS AMENDED, by replacing everything after the enacting clause with the following:

"ARTICLE 5. TRANSPORTATION FUNDING PROTECTION

Section 5-1. Short title. This Article may be cited as the Transportation Funding Protection Act. References in this Article to "this Act" mean this Article.

Section 5-10. Transportation funding.

(a) It is known that transportation funding is generated by several transportation fees outlined in Section 2 of the Motor Fuel Tax Act, Section 5-1035.1 of the Counties Code, Section 8-11-2.3 of the Illinois Municipal Code, and Sections 3-805, 3-806, 3-815, 3-818, 3-819, 3-821, and 6-118 of the Illinois Vehicle Code.

(b) The proceeds of the funds described in this Act and all other funds described in Section 11 of Article IX of the Illinois Constitution are dedicated to transportation purposes and shall not, by transfer, offset, or otherwise, be diverted by any local government, including, without limitation, any home rule unit of government, to any purpose other than transportation purposes. This Act is declarative of existing law.

ARTICLE 15. AMENDATORY PROVISIONS

Section 15-10. The Use Tax Act is amended by changing Section 9 as follows:
(35 ILCS 105/9) (from Ch. 120, par. 439.9)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner

[June 2, 2019]

required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A retailer need not remit that part of any tax collected by him to the extent that he is required to remit and does remit the tax imposed by the Retailers' Occupation Tax Act, with respect to the sale of the same property.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the retailer, in collecting the tax (except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State), may collect for each tax return period, only the tax applicable to that part of the selling price actually received during such tax return period.

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require. On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown

by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February, and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this Section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

The transaction reporting return in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due

from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the date of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the tax that is imposed by this Act may be transmitted to the Department by way of the State agency with which, or State officer with whom, the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer, and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Where a retailer collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the retailer refunds the selling price thereof to the purchaser, such retailer shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the retailer may deduct the amount of the tax so refunded by him to the purchaser from any other use tax which such retailer may be required to pay or remit to the Department, as shown by such return, if the amount of the tax to be deducted was previously remitted to the Department by such retailer. If the retailer has not previously remitted the amount of such tax to the Department, he is entitled to no deduction under this Act upon refunding such tax to the purchaser.

Any retailer filing a return under this Section shall also include (for the purpose of paying tax thereon) the total tax covered by such return upon the selling price of tangible personal property purchased by him at retail from a retailer, but as to which the tax imposed by this Act was not collected from the retailer filing such return, and such retailer shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable retailers, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the retailer has more than one business registered with the Department under separate registration under this Act, such retailer may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury, 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Retailers' Occupation Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under this Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount

equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000

2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of this Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement. (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 15-15. The Service Use Tax Act is amended by changing Section 9 as follows:
(35 ILCS 110/9) (from Ch. 120, par. 439.39)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The

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Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final. A serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

If the serviceman is otherwise required to file a monthly return and if the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year,

and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman is otherwise required to file a monthly or quarterly return and if the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

Any serviceman filing a return hereunder shall also include the total tax upon the selling price of tangible personal property purchased for use by him as an incident to a sale of service, and such serviceman shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Service Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registration hereunder, such serviceman shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Tax Reform Fund, a special fund in the State Treasury, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, this Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000

2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first

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calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the State and Local Sales Tax Reform Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 15-20. The Service Occupation Tax Act is amended by changing Section 9 as follows:
(35 ILCS 115/9) (from Ch. 120, par. 439.109)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during

which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for servicemen whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the serviceman, in collecting the tax may collect, for each tax return period, only the tax applicable to the part of the selling price actually received during such tax return period.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable rules and regulations to be promulgated by the Department of Revenue. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require. On and after January 1, 2018, with respect to servicemen whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Servicemen who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Prior to October 1, 2003, and on and after September 1, 2004 a serviceman may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Service Use Tax as provided in Section 3-70 of the Service Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-70 of the Service Use Tax Act. A Manufacturer's Purchase Credit certification, accepted prior to October 1, 2003 or on or after September 1, 2004 by a serviceman as provided in Section 3-70 of the Service Use Tax Act, may be used by that serviceman to satisfy Service Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchase Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

If the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Where a serviceman collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Occupation Tax, Service Use Tax, Retailers' Occupation Tax or Use Tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, the Use Tax Act or the Service Use Tax Act, to furnish all the return information required by all said Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registrations hereunder, such serviceman shall file separate returns for each registered business.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Retailers' Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, this Act, and the Retailers' Occupation Tax Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount

requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000
2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority Act,
but not after fiscal year 2060.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for

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previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized

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from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% shall be paid into the General Revenue Fund of the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The foregoing portion of this Section concerning the filing of an annual information return shall not apply to a serviceman who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, it shall be permissible for manufacturers, importers and wholesalers whose products are sold by numerous servicemen in Illinois, and who wish to do so, to assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the servicemen who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 15-25. The Retailers' Occupation Tax Act is amended by changing Section 3 as follows:
(35 ILCS 120/3) (from Ch. 120, par. 442)

Sec. 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at retail in this State during the preceding calendar month shall file a return with the Department, stating:

1. The name of the seller;

2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;

3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;

4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;

5. Deductions allowed by law;

6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;

7. The amount of credit provided in Section 2d of this Act;

8. The amount of tax due;

9. The signature of the taxpayer; and

10. Such other reasonable information as the Department may require.

On and after January 1, 2018, except for returns for motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, with respect to retailers whose annual gross receipts average \$20,000 or more, all returns required to be filed pursuant to this Act shall be filed electronically. Retailers who demonstrate that they do not have access to the Internet or demonstrate hardship in filing electronically may petition the Department to waive the electronic filing requirement.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Each return shall be accompanied by the statement of prepaid tax issued pursuant to Section 2e for which credit is claimed.

Prior to October 1, 2003, and on and after September 1, 2004 a retailer may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Use Tax as provided in Section 3-85 of the Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit certification, accepted by a retailer prior to October 1, 2003 and on and after September 1, 2004 as provided in Section 3-85 of the Use Tax Act, may be used by that retailer to satisfy Retailers' Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchaser Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;

2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;

3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;

4. The amount of credit provided in Section 2d of this Act;

5. The amount of tax due; and

6. Such other reasonable information as the Department may require.

Beginning on October 1, 2003, any person who is not a licensed distributor, importing distributor, or manufacturer, as defined in the Liquor Control Act of 1934, but is engaged in the business of selling, at retail, alcoholic liquor shall file a statement with the Department of Revenue, in a format and at a time prescribed by the Department, showing the total amount paid for alcoholic liquor purchased during the preceding month and such other information as is reasonably required by the Department. The Department may adopt rules to require that this statement be filed in an electronic or telephonic format. Such rules may provide for exceptions from the filing requirements of this paragraph. For the purposes of this paragraph, the term "alcoholic liquor" shall have the meaning prescribed in the Liquor Control Act of 1934.

Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by

electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

If a total amount of less than \$1 is payable, refundable or creditable, such amount shall be disregarded if it is less than 50 cents and shall be increased to \$1 if it is 50 cents or more.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Any amount which is required to be shown or reported on any return or other document under this Act shall, if such amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount in any case where the fractional part of a dollar is 50 cents or more, and decreased to the nearest whole-dollar amount where the fractional part of a dollar is less than 50 cents.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability with the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible

for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

Where the same person has more than one business registered with the Department under separate registrations under this Act, such person may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, except as otherwise provided in this Section, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle retailer or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 2-5 of this Act, then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every person who is engaged in the business of leasing or renting such items and who, in connection with such business, sells any such item to a retailer for the purpose of resale is, notwithstanding any other provision of this Section to the contrary, authorized to meet the return-filing requirement of this Act by reporting the transfer of all the aircraft, watercraft, motor vehicles, or trailers transferred for resale during a month to the Department on the same uniform invoice-transaction reporting return form on or before the 20th of the month following the month in which the transfer takes place. Notwithstanding any other provision of this Act to the contrary, all returns filed under this paragraph must be filed by electronic means in the manner and form as required by the Department.

Any retailer who sells only motor vehicles, watercraft, aircraft, or trailers that are required to be registered with an agency of this State, so that all retailers' occupation tax liability is required to be reported, and is reported, on such transaction reporting returns and who is not otherwise required to file monthly or quarterly returns, need not file monthly or quarterly returns. However, those retailers shall be required to file returns on an annual basis.

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft or aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax may be transmitted to the Department by way of the State agency with which, or State officer with whom the tangible personal property must be titled or registered (if titling or registration is required) if the

Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a use tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

Where the seller is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.

Where the seller is a limited liability company, the return filed on behalf of the limited liability company shall be signed by a manager, member, or properly accredited agent of the limited liability company.

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. The discount allowed under this Section is allowed only for returns that are filed in the manner required by this Act. The Department may disallow the discount for retailers whose certificate of registration is revoked at the time the return is filed, but only if the Department's decision to revoke the certificate of registration has become final.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last

day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to September 1, 1985 (the effective date of Public Act 84-221), each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal

to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of \$20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than \$20,000. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

If a retailer of motor fuel is entitled to a credit under Section 2d of this Act which exceeds the taxpayer's liability to the Department under this Act for the month which the taxpayer is filing a return, the Department shall issue the taxpayer a credit memorandum for the excess.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax imposed under this Act.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor

fuel and gasohol. Beginning September 1, 2010, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of sales tax holiday items.

Beginning October 1, 2009, each month the Department shall pay into the Capital Projects Fund an amount that is equal to an amount estimated by the Department to represent 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1% prior to September 1, 2009 but that are now taxed at 6.25%.

Beginning July 1, 2011, each month the Department shall pay into the Clean Air Act Permit Fund 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of sorbents used in Illinois in the process of sorbent injection as used to comply with the Environmental Protection Act or the federal Clean Air Act, but the total payment into the Clean Air Act Permit Fund under this Act and the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

Beginning July 1, 2013, each month the Department shall pay into the Underground Storage Tank Fund from the proceeds collected under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act an amount equal to the average monthly deficit in the Underground Storage Tank Fund during the prior year, as certified annually by the Illinois Environmental Protection Agency, but the total payment into the Underground Storage Tank Fund under this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act shall not exceed \$18,000,000 in any State fiscal year. As used in this paragraph, the "average monthly deficit" shall be equal to the difference between the average monthly claims for payment by the fund and the average monthly revenues deposited into the fund, excluding payments made pursuant to this paragraph.

Beginning July 1, 2015, of the remainder of the moneys received by the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and this Act, each month the Department shall deposit \$500,000 into the State Crime Laboratory Fund.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to this Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as hereinafter defined), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; the "Annual Specified Amount" means the amounts specified below for fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for

the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000
2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023	275,000,000
2024	275,000,000
2025	275,000,000
2026	279,000,000
2027	292,000,000
2028	307,000,000

2029	322,000,000
2030	338,000,000
2031	350,000,000
2032	350,000,000
and	
each fiscal year	
thereafter that bonds	
are outstanding under	
Section 13.2 of the	
Metropolitan Pier and	
Exposition Authority Act,	
but not after fiscal year 2060.	

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993 and ending on September 30, 2013, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, and the Energy Infrastructure Fund pursuant to the preceding paragraphs or in any amendments to this Section hereafter enacted, beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), each month, from the collections made under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act, the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department of Revenue, an amount equal to 1/12 of 5% of 80% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and associated local occupation and use taxes administered by the Department.

Subject to payments of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, beginning on July 1, 2018 the Department shall pay each month into the Downstate Public Transportation Fund the moneys required to be so paid under Section 2-3 of the Downstate Public Transportation Act.

Beginning July 1, 2021 and until July 1, 2022, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 16% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2022 and until July 1, 2023, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this

Section, the Department shall pay each month into the Road Fund the amount estimated to represent 32% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2023 and until July 1, 2024, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 48% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning July 1, 2024 and until July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 64% of the net revenue realized from the taxes imposed on motor fuel and gasohol. Beginning on July 1, 2025, subject to the payment of amounts into the County and Mass Transit District Fund, the Local Government Tax Fund, the Build Illinois Fund, the McCormick Place Expansion Project Fund, the Illinois Tax Increment Fund, the Energy Infrastructure Fund, and the Tax Compliance and Administration Fund as provided in this Section, the Department shall pay each month into the Road Fund the amount estimated to represent 80% of the net revenue realized from the taxes imposed on motor fuel and gasohol. As used in this paragraph "motor fuel" has the meaning given to that term in Section 1.1 of the Motor Fuel Tax Act, and "gasohol" has the meaning given to that term in Section 3-40 of the Use Tax Act.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1%

of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The provisions of this Section concerning the filing of an annual information return do not apply to a retailer who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

Any person who promotes, organizes, provides retail selling space for concessionaires or other types of sellers at the Illinois State Fair, DuQuoin State Fair, county fairs, local fairs, art shows, flea markets and similar exhibitions or events, including any transient merchant as defined by Section 2 of the Transient Merchant Act of 1987, is required to file a report with the Department providing the name of the merchant's business, the name of the person or persons engaged in merchant's business, the permanent address and Illinois Retailers Occupation Tax Registration Number of the merchant, the dates and location of the event and other reasonable information that the Department may require. The report must be filed not later than the 20th day of the month next following the month during which the event with retail sales was held. Any person who fails to file a report required by this Section commits a business offense and is subject to a fine not to exceed \$250.

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

Section 15-30. The Motor Fuel Tax Law is amended by changing Sections 2 and 8 and by adding Section 8b as follows:

(35 ILCS 505/2) (from Ch. 120, par. 418)

Sec. 2. A tax is imposed on the privilege of operating motor vehicles upon the public highways and recreational-type watercraft upon the waters of this State.

(a) Prior to August 1, 1989, the tax is imposed at the rate of 13 cents per gallon on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State. Beginning on August 1, 1989 and until January 1, 1990, the rate of the tax imposed in this paragraph shall be 16 cents per gallon. Beginning January 1, 1990 and until July 1, 2019, the rate of tax imposed in this paragraph, including the tax on compressed natural gas, shall be 19 cents per gallon. Beginning July 1, 2019, the rate of tax imposed in this paragraph shall be 38 cents per gallon and increased on July 1 of each subsequent year by an amount equal to the percentage increase, if any, in the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor for the 12 months ending in March of each year.

(b) The tax on the privilege of operating motor vehicles which use diesel fuel, liquefied natural gas, or propane shall be the rate according to paragraph (a) plus an additional 2 1/2 cents per gallon. Beginning July 1, 2019, the rate of tax imposed in this paragraph shall be 7.5 cents per gallon. "Diesel fuel" is defined as any product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark.

(c) A tax is imposed upon the privilege of engaging in the business of selling motor fuel as a retailer or reseller on all motor fuel used in motor vehicles operating on the public highways and recreational type watercraft operating upon the waters of this State: (1) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per gallon on motor fuel owned or possessed by such retailer or reseller at 12:01 A.M. on January 1, 1990.

Retailers and resellers who are subject to this additional tax shall be required to inventory such motor fuel and pay this additional tax in a manner prescribed by the Department of Revenue.

The tax imposed in this paragraph (c) shall be in addition to all other taxes imposed by the State of Illinois or any unit of local government in this State.

(d) Except as provided in Section 2a, the collection of a tax based on gallonage of gasoline used for the propulsion of any aircraft is prohibited on and after October 1, 1979.

[June 2, 2019]

(e) The collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited (i) on and after July 1, 1992 until December 31, 1999, except when the 1-K kerosene is either: (1) delivered into bulk storage facilities of a bulk user, or (2) delivered directly into the fuel supply tanks of motor vehicles and (ii) on and after January 1, 2000. Beginning on January 1, 2000, the collection of a tax, based on gallonage of all products commonly or commercially known or sold as 1-K kerosene, regardless of its classification or uses, is prohibited except when the 1-K kerosene is delivered directly into a storage tank that is located at a facility that has withdrawal facilities that are readily accessible to and are capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles. For purposes of this subsection (e), a facility is considered to have withdrawal facilities that are not "readily accessible to and capable of dispensing 1-K kerosene into the fuel supply tanks of motor vehicles" only if the 1-K kerosene is delivered from: (i) a dispenser hose that is short enough so that it will not reach the fuel supply tank of a motor vehicle or (ii) a dispenser that is enclosed by a fence or other physical barrier so that a vehicle cannot pull alongside the dispenser to permit fueling.

Any person who sells or uses 1-K kerosene for use in motor vehicles upon which the tax imposed by this Law has not been paid shall be liable for any tax due on the sales or use of 1-K kerosene. (Source: P.A. 100-9, eff. 7-1-17.)

(35 ILCS 505/8) (from Ch. 120, par. 424)

Sec. 8. Except as provided in subsection (a-1) of this Section, Section 8a, subdivision (h)(1) of Section 12a, Section 13a.6, and items 13, 14, 15, and 16 of Section 15, all money received by the Department under this Act, including payments made to the Department by member jurisdictions participating in the International Fuel Tax Agreement, shall be deposited in a special fund in the State treasury, to be known as the "Motor Fuel Tax Fund", and shall be used as follows:

(a) 2 1/2 cents per gallon of the tax collected on special fuel under paragraph (b) of Section 2 and Section 13a of this Act shall be transferred to the State Construction Account Fund in the State Treasury; the remainder of the tax collected on special fuel under paragraph (b) of Section 2 and Section 13a of this Act shall be deposited into the Road Fund;

(a-1) Beginning on July 1, 2019, an amount equal to the amount of tax collected under subsection (a) of Section 2 as a result of the increase in the tax rate under this amendatory Act of the 101st General Assembly shall be transferred each month into the Transportation Renewal Fund.

(b) \$420,000 shall be transferred each month to the State Boating Act Fund to be used by the Department of Natural Resources for the purposes specified in Article X of the Boat Registration and Safety Act;

(c) \$3,500,000 shall be transferred each month to the Grade Crossing Protection Fund to be used as follows: not less than \$12,000,000 each fiscal year shall be used for the construction or reconstruction of rail highway grade separation structures; \$2,250,000 in fiscal years 2004 through 2009 and \$3,000,000 in fiscal year 2010 and each fiscal year thereafter shall be transferred to the Transportation Regulatory Fund and shall be accounted for as part of the rail carrier portion of such funds and shall be used to pay the cost of administration of the Illinois Commerce Commission's railroad safety program in connection with its duties under subsection (3) of Section 18c-7401 of the Illinois Vehicle Code, with the remainder to be used by the Department of Transportation upon order of the Illinois Commerce Commission, to pay that part of the cost apportioned by such Commission to the State to cover the interest of the public in the use of highways, roads, streets, or pedestrian walkways in the county highway system, township and district road system, or municipal street system as defined in the Illinois Highway Code, as the same may from time to time be amended, for separation of grades, for installation, construction or reconstruction of crossing protection or reconstruction, alteration, relocation including construction or improvement of any existing highway necessary for access to property or improvement of any grade crossing and grade crossing surface including the necessary highway approaches thereto of any railroad across the highway or public road, or for the installation, construction, reconstruction, or maintenance of a pedestrian walkway over or under a railroad right-of-way, as provided for in and in accordance with Section 18c-7401 of the Illinois Vehicle Code. The Commission may order up to \$2,000,000 per year in Grade Crossing Protection Fund moneys for the improvement of grade crossing surfaces and up to \$300,000 per year for the maintenance and renewal of 4-quadrant gate vehicle detection systems located at non-high speed rail grade crossings. The Commission shall not order more than \$2,000,000 per year in Grade Crossing Protection Fund moneys for pedestrian walkways. In entering orders for projects for which payments from the Grade Crossing Protection Fund will be made, the Commission shall account for expenditures authorized by the orders on a cash rather than an accrual basis. For purposes of this requirement an "accrual basis" assumes that the total cost of the project is expended in the fiscal year in which the order is entered, while a "cash basis" allocates the cost of the project among fiscal years as expenditures are actually made. To meet the requirements of this subsection, the Illinois Commerce Commission shall develop annual and 5-year

project plans of rail crossing capital improvements that will be paid for with moneys from the Grade Crossing Protection Fund. The annual project plan shall identify projects for the succeeding fiscal year and the 5-year project plan shall identify projects for the 5 directly succeeding fiscal years. The Commission shall submit the annual and 5-year project plans for this Fund to the Governor, the President of the Senate, the Senate Minority Leader, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives on the first Wednesday in April of each year;

(d) of the amount remaining after allocations provided for in subsections (a), (a-1), (b) and (c), a sufficient amount shall be reserved to pay all of the following:

(1) the costs of the Department of Revenue in administering this Act;

(2) the costs of the Department of Transportation in performing its duties imposed by the Illinois Highway Code for supervising the use of motor fuel tax funds apportioned to municipalities, counties and road districts;

(3) refunds provided for in Section 13, refunds for overpayment of decal fees paid under Section 13a.4 of this Act, and refunds provided for under the terms of the International Fuel Tax Agreement referenced in Section 14a;

(4) from October 1, 1985 until June 30, 1994, the administration of the Vehicle Emissions Inspection Law, which amount shall be certified monthly by the Environmental Protection Agency to the State Comptroller and shall promptly be transferred by the State Comptroller and Treasurer from the Motor Fuel Tax Fund to the Vehicle Inspection Fund, and for the period July 1, 1994 through June 30, 2000, one-twelfth of \$25,000,000 each month, for the period July 1, 2000 through June 30, 2003, one-twelfth of \$30,000,000 each month, and \$15,000,000 on July 1, 2003, and \$15,000,000 on January 1, 2004, and \$15,000,000 on each July 1 and October 1, or as soon thereafter as may be practical, during the period July 1, 2004 through June 30, 2012, and \$30,000,000 on June 1, 2013, or as soon thereafter as may be practical, and \$15,000,000 on July 1 and October 1, or as soon thereafter as may be practical, during the period of July 1, 2013 through June 30, 2015, for the administration of the Vehicle Emissions Inspection Law of 2005, to be transferred by the State Comptroller and Treasurer from the Motor Fuel Tax Fund into the Vehicle Inspection Fund;

(5) amounts ordered paid by the Court of Claims; and

(6) payment of motor fuel use taxes due to member jurisdictions under the terms of the International Fuel Tax Agreement. The Department shall certify these amounts to the Comptroller by the 15th day of each month; the Comptroller shall cause orders to be drawn for such amounts, and the Treasurer shall administer those amounts on or before the last day of each month;

(e) after allocations for the purposes set forth in subsections (a), (a-1), (b), (c) and (d), the remaining amount shall be apportioned as follows:

(1) Until January 1, 2000, 58.4%, and beginning January 1, 2000, 45.6% shall be deposited as follows:

(A) 37% into the State Construction Account Fund, and

(B) 63% into the Road Fund, \$1,250,000 of which shall be reserved each month for the Department of Transportation to be used in accordance with the provisions of Sections 6-901 through 6-906 of the Illinois Highway Code;

(2) Until January 1, 2000, 41.6%, and beginning January 1, 2000, 54.4% shall be transferred to the Department of Transportation to be distributed as follows:

(A) 49.10% to the municipalities of the State,

(B) 16.74% to the counties of the State having 1,000,000 or more inhabitants,

(C) 18.27% to the counties of the State having less than 1,000,000 inhabitants,

(D) 15.89% to the road districts of the State.

As soon as may be after the first day of each month the Department of Transportation shall allot to each municipality its share of the amount apportioned to the several municipalities which shall be in proportion to the population of such municipalities as determined by the last preceding municipal census if conducted by the Federal Government or Federal census. If territory is annexed to any municipality subsequent to the time of the last preceding census the corporate authorities of such municipality may cause a census to be taken of such annexed territory and the population so ascertained for such territory shall be added to the population of the municipality as determined by the last preceding census for the purpose of determining the allotment for that municipality. If the population of any municipality was not determined by the last Federal census preceding any apportionment, the apportionment to such municipality shall be in accordance with any census taken by such municipality. Any municipal census used in accordance with this Section shall be certified to the Department of Transportation by the clerk of such municipality, and the accuracy thereof shall be subject to approval of the Department which may make such corrections as it ascertains to be necessary.

As soon as may be after the first day of each month the Department of Transportation shall allot to each county its share of the amount apportioned to the several counties of the State as herein provided. Each allotment to the several counties having less than 1,000,000 inhabitants shall be in proportion to the amount of motor vehicle license fees received from the residents of such counties, respectively, during the preceding calendar year. The Secretary of State shall, on or before April 15 of each year, transmit to the Department of Transportation a full and complete report showing the amount of motor vehicle license fees received from the residents of each county, respectively, during the preceding calendar year. The Department of Transportation shall, each month, use for allotment purposes the last such report received from the Secretary of State.

As soon as may be after the first day of each month, the Department of Transportation shall allot to the several counties their share of the amount apportioned for the use of road districts. The allotment shall be apportioned among the several counties in the State in the proportion which the total mileage of township or district roads in the respective counties bears to the total mileage of all township and district roads in the State. Funds allotted to the respective counties for the use of road districts therein shall be allocated to the several road districts in the county in the proportion which the total mileage of such township or district roads in the respective road districts bears to the total mileage of all such township or district roads in the county. After July 1 of any year prior to 2011, no allocation shall be made for any road district unless it levied a tax for road and bridge purposes in an amount which will require the extension of such tax against the taxable property in any such road district at a rate of not less than either .08% of the value thereof, based upon the assessment for the year immediately prior to the year in which such tax was levied and as equalized by the Department of Revenue or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less. Beginning July 1, 2011 and each July 1 thereafter, an allocation shall be made for any road district if it levied a tax for road and bridge purposes. In counties other than DuPage County, if the amount of the tax levy requires the extension of the tax against the taxable property in the road district at a rate that is less than 0.08% of the value thereof, based upon the assessment for the year immediately prior to the year in which the tax was levied and as equalized by the Department of Revenue, then the amount of the allocation for that road district shall be a percentage of the maximum allocation equal to the percentage obtained by dividing the rate extended by the district by 0.08%. In DuPage County, if the amount of the tax levy requires the extension of the tax against the taxable property in the road district at a rate that is less than the lesser of (i) 0.08% of the value of the taxable property in the road district, based upon the assessment for the year immediately prior to the year in which such tax was levied and as equalized by the Department of Revenue, or (ii) a rate that will yield an amount equal to \$12,000 per mile of road under the jurisdiction of the road district, then the amount of the allocation for the road district shall be a percentage of the maximum allocation equal to the percentage obtained by dividing the rate extended by the district by the lesser of (i) 0.08% or (ii) the rate that will yield an amount equal to \$12,000 per mile of road under the jurisdiction of the road district.

Prior to 2011, if any road district has levied a special tax for road purposes pursuant to Sections 6-601, 6-602 and 6-603 of the Illinois Highway Code, and such tax was levied in an amount which would require extension at a rate of not less than .08% of the value of the taxable property thereof, as equalized or assessed by the Department of Revenue, or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less, such levy shall, however, be deemed a proper compliance with this Section and shall qualify such road district for an allotment under this Section. Beginning in 2011 and thereafter, if any road district has levied a special tax for road purposes under Sections 6-601, 6-602, and 6-603 of the Illinois Highway Code, and the tax was levied in an amount that would require extension at a rate of not less than 0.08% of the value of the taxable property of that road district, as equalized or assessed by the Department of Revenue or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less, that levy shall be deemed a proper compliance with this Section and shall qualify such road district for a full, rather than proportionate, allotment under this Section. If the levy for the special tax is less than 0.08% of the value of the taxable property, or, in DuPage County if the levy for the special tax is less than the lesser of (i) 0.08% or (ii) \$12,000 per mile of road under the jurisdiction of the road district, and if the levy for the special tax is more than any other levy for road and bridge purposes, then the levy for the special tax qualifies the road district for a proportionate, rather than full, allotment under this Section. If the levy for the special tax is equal to or less than any other levy for road and bridge purposes, then any allotment under this Section shall be determined by the other levy for road and bridge purposes.

Prior to 2011, if a township has transferred to the road and bridge fund money which, when added to the amount of any tax levy of the road district would be the equivalent of a tax levy requiring extension at a rate of at least .08%, or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less, such transfer, together with any such tax levy,

shall be deemed a proper compliance with this Section and shall qualify the road district for an allotment under this Section.

In counties in which a property tax extension limitation is imposed under the Property Tax Extension Limitation Law, road districts may retain their entitlement to a motor fuel tax allotment or, beginning in 2011, their entitlement to a full allotment if, at the time the property tax extension limitation was imposed, the road district was levying a road and bridge tax at a rate sufficient to entitle it to a motor fuel tax allotment and continues to levy the maximum allowable amount after the imposition of the property tax extension limitation. Any road district may in all circumstances retain its entitlement to a motor fuel tax allotment or, beginning in 2011, its entitlement to a full allotment if it levied a road and bridge tax in an amount that will require the extension of the tax against the taxable property in the road district at a rate of not less than 0.08% of the assessed value of the property, based upon the assessment for the year immediately preceding the year in which the tax was levied and as equalized by the Department of Revenue or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less.

As used in this Section the term "road district" means any road district, including a county unit road district, provided for by the Illinois Highway Code; and the term "township or district road" means any road in the township and district road system as defined in the Illinois Highway Code. For the purposes of this Section, "township or district road" also includes such roads as are maintained by park districts, forest preserve districts and conservation districts. The Department of Transportation shall determine the mileage of all township and district roads for the purposes of making allotments and allocations of motor fuel tax funds for use in road districts.

Payment of motor fuel tax moneys to municipalities and counties shall be made as soon as possible after the allotment is made. The treasurer of the municipality or county may invest these funds until their use is required and the interest earned by these investments shall be limited to the same uses as the principal funds.

(Source: P.A. 97-72, eff. 7-1-11; 97-333, eff. 8-12-11; 98-24, eff. 6-19-13; 98-674, eff. 6-30-14.)

(35 ILCS 505/8b new)

Sec. 8b. Transportation Renewal Fund; creation; distribution of proceeds.

(a) The Transportation Renewal Fund is hereby created as a special fund in the State treasury. Moneys in the Fund shall be used as provided in this Section:

(1) 80% of the moneys in the Fund shall be used for highway maintenance, highway construction, bridge repair, congestion relief, and construction of aviation facilities; of that 80%:

(A) the State Comptroller shall order transferred and the State Treasurer shall transfer 60% to the State Construction Account Fund; those moneys shall be used solely for construction, reconstruction, improvement, repair, maintenance, operation, and administration of highways and are limited to payments made pursuant to design and construction contracts awarded by the Department of Transportation;

(B) 40% shall be distributed by the Department of Transportation to municipalities, counties, and road districts as follows:

(i) 49.10% to the municipalities of the State;

(ii) 16.74% to the counties of the State having 1,000,000 or more inhabitants;

(iii) 18.27% to the counties of the State having less than 1,000,000 inhabitants; and

(iv) 15.89% to the road districts of the State; and

(2) 20% of the moneys in the Fund shall be used for projects related to rail facilities and mass transit facilities, as defined in Section 2705-305 of the Department of Transportation Law of the Civil Administrative Code of Illinois, including rapid transit, rail, high-speed rail, bus and other equipment in connection with the State or a unit of local government, special district, municipal corporation, or other public agency authorized to provide and promote public transportation within the State; of that 20%:

(A) 90% shall be deposited into the Regional Transportation Authority Capital Improvement Fund, a special fund created in the State Treasury; moneys in the Regional Transportation Authority Capital Improvement Fund shall be used by the Regional Transportation Authority for deferred maintenance on mass transit facilities; and

(B) 10% shall be deposited into the Downstate Mass Transportation Capital Improvement Fund, a special fund created in the State Treasury; moneys in the Downstate Mass Transportation Capital Improvement Fund shall be used by local mass transit districts other than the Regional Transportation Authority for deferred maintenance on mass transit facilities.

(b) Beginning on July 1, 2020, the Auditor General shall conduct an annual financial audit of the obligations, expenditures, receipt, and use of the funds deposited into the Transportation Reform Fund and provide specific recommendations to help ensure compliance with State and federal statutes, rules, and regulations.

[June 2, 2019]

Section 15-40. The Illinois Municipal Code is amended by adding Section 8-11-2.3 as follows:
(65 ILCS 5/8-11-2.3 new)

Sec. 8-11-2.3. Motor fuel tax. Notwithstanding any other provision of law, in addition to any other tax that may be imposed, a municipality in a county with a population of over 3,000,000 inhabitants may also impose, by ordinance, a tax on motor fuel at a rate not to exceed \$0.03 per gallon.

A license that is issued to a distributor or a receiver under the Motor Fuel Tax Law shall permit that distributor or receiver to act as a distributor or receiver, as applicable, under this Section. The provisions of Sections 2b, 2d, 6, 6a, 12, 12a, 13, 13a.2, 13a.7, 13a.8, 15.1, and 21 of the Motor Fuel Tax Law that are not inconsistent with this Section shall apply as far as practicable to the subject matter of this Section to the same extent as if those provisions were included in this Section.

The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section. Those taxes and penalties shall be deposited into the Municipal Motor Fuel Tax Fund, a trust fund created in the State treasury. Moneys in the Municipal Motor Fuel Tax Fund shall be used to make payments to municipalities and for the payment of refunds under this Section. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected by the Department from the tax imposed by that municipality under this Section during the second preceding calendar month, plus an amount the Department determines is necessary to offset amounts that were erroneously paid to a different municipality, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the municipality, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different municipality but were erroneously paid to the municipality, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement, shall prepare and certify to the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

Section 15-45. The Illinois Vehicle Code is amended by changing Sections 3-805, 3-806, 3-815, 3-815.1, 3-818, 3-819, and 3-821 as follows:

(625 ILCS 5/3-805) (from Ch. 95 1/2, par. 3-805)

Sec. 3-805. Electric vehicles. ~~Until January 1, 2020, the~~ owner of a motor vehicle of the first division or a motor vehicle of the second division weighing 8,000 pounds or less propelled by an electric engine and not utilizing motor fuel, may register such vehicle for a fee not to exceed \$35 for a 2-year registration period. The Secretary may, in his discretion, prescribe that electric vehicle registration plates be issued for an indefinite term, such term to correspond to the term of registration plates issued generally, as provided in Section 3-414.1. In no event may the registration fee for electric vehicles exceed \$18 per registration year. ~~Beginning on January 1, 2020, the registration fee for these vehicles shall be equal to the fee set forth in Section 3-806 for motor vehicles of the first division, other than Autocycles, Motorcycles, Motor Driven Cycles, and Pedalcycles. In addition to the registration fees, the Secretary shall assess an additional \$100 per year in lieu of the payment of motor fuel taxes. \$1 of the additional fees shall be deposited into the Secretary of State Special Services Fund and the remainder of the additional fees shall be deposited into the Road Fund.~~

(Source: P.A. 96-1135, eff. 7-21-10.)

(625 ILCS 5/3-806) (from Ch. 95 1/2, par. 3-806)

Sec. 3-806. Registration Fees; Motor Vehicles of the First Division. Every owner of any other motor vehicle of the first division, except as provided in Sections 3-804, 3-804.01, 3-804.3, 3-805, 3-806.3, 3-806.7, and 3-808, and every second division vehicle weighing 8,000 pounds or less, shall pay the Secretary of State an annual registration fee at the following rates:

SCHEDULE OF REGISTRATION FEES
REQUIRED BY LAW
Beginning with the ~~2021~~ 2010 registration year

	Annual Fee
Motor vehicles of the first division other than Autocycles, Motorcycles, Motor Driven Cycles and Pedalcycles	\$148 \$98

[June 2, 2019]

Autocycles
 Motorcycles, Motor Driven
 Cycles and Pedalcycles

68
 38

A \$1 surcharge shall be collected in addition to the above fees for motor vehicles of the first division, autocycles, motorcycles, motor driven cycles, and pedalcycles to be deposited into the State Police Vehicle Fund.

All of the proceeds of the additional fees imposed by Public Act 96-34 shall be deposited into the Capital Projects Fund.

A \$2 surcharge shall be collected in addition to the above fees for motor vehicles of the first division, autocycles, motorcycles, motor driven cycles, and pedalcycles to be deposited into the Park and Conservation Fund for the Department of Natural Resources to use for conservation efforts. The monies deposited into the Park and Conservation Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

Of the fees collected for motor vehicles of the first division other than Autocycles, Motorcycles, Motor Driven Cycles, and Pedalcycles, \$1 of the fees shall be deposited into the Secretary of State Special Services Fund and \$49 of the fees shall be deposited into the Road Fund.

(Source: P.A. 97-412, eff. 1-1-12; 97-811, eff. 7-13-12; 97-1136, eff. 1-1-13; 98-463, eff. 8-16-13; 98-777, eff. 1-1-15.)

(625 ILCS 5/3-815) (from Ch. 95 1/2, par. 3-815)

Sec. 3-815. Flat weight tax; vehicles of the second division.

(a) Except as provided in Section 3-806.3 and 3-804.3, every owner of a vehicle of the second division registered under Section 3-813, and not registered under the mileage weight tax under Section 3-818, shall pay to the Secretary of State, for each registration year, for the use of the public highways, a flat weight tax at the rates set forth in the following table, the rates including the \$10 registration fee:

SCHEDULE OF FLAT WEIGHT TAX
 REQUIRED BY LAW

Gross Weight in Lbs. Including Vehicle and Maximum Load	Class	Total Fees each Fiscal year
8,000 lbs. and less	B	<u>\$148</u> \$98
8,001 lbs. to 10,000 lbs.	C	<u>218</u> 118
10,001 lbs. to 12,000 lbs.	D	<u>238</u> 138
12,001 lbs. to 16,000 lbs.	F	<u>342</u> 242
16,001 lbs. to 26,000 lbs.	H	<u>590</u> 490
26,001 lbs. to 28,000 lbs.	J	<u>730</u> 630
28,001 lbs. to 32,000 lbs.	K	<u>942</u> 842
32,001 lbs. to 36,000 lbs.	L	<u>1,082</u> 982
36,001 lbs. to 40,000 lbs.	N	<u>1,302</u> 1,202
40,001 lbs. to 45,000 lbs.	P	<u>1,490</u> 1,390
45,001 lbs. to 50,000 lbs.	Q	<u>1,638</u> 1,538
50,001 lbs. to 54,999 lbs.	R	<u>1,798</u> 1,698
55,000 lbs. to 59,500 lbs.	S	<u>1,930</u> 1,830
59,501 lbs. to 64,000 lbs.	T	<u>2,070</u> 1,970
64,001 lbs. to 73,280 lbs.	V	<u>2,394</u> 2,294
73,281 lbs. to 77,000 lbs.	X	<u>2,722</u> 2,622
77,001 lbs. to 80,000 lbs.	Z	<u>2,890</u> 2,790

Beginning with the 2010 registration year a \$1 surcharge shall be collected for vehicles registered in the 8,000 lbs. and less flat weight plate category above to be deposited into the State Police Vehicle Fund.

Beginning with the 2014 registration year, a \$2 surcharge shall be collected in addition to the above fees for vehicles registered in the 8,000 lb. and less flat weight plate category as described in this subsection (a) to be deposited into the Park and Conservation Fund for the Department of Natural Resources to use for conservation efforts. The monies deposited into the Park and Conservation Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

Of the fees collected under this subsection, \$1 of the fees shall be deposited into the Secretary of State Special Services Fund and \$99 of the fees shall be deposited into the Road Fund.

All of the proceeds of the additional fees imposed by Public Act 96-34 ~~this amendatory Act of the 96th General Assembly~~ shall be deposited into the Capital Projects Fund.

(a-1) A Special Hauling Vehicle is a vehicle or combination of vehicles of the second division registered under Section 3-813 transporting asphalt or concrete in the plastic state or a vehicle or combination of vehicles that are subject to the gross weight limitations in subsection (a) of Section 15-111 for which the owner of the vehicle or combination of vehicles has elected to pay, in addition to the registration fee in subsection (a), \$125 to the Secretary of State for each registration year. The Secretary shall designate this class of vehicle as a Special Hauling Vehicle.

(a-5) Beginning January 1, 2015, upon the request of the vehicle owner, a \$10 surcharge shall be collected in addition to the above fees for vehicles in the 12,000 lbs. and less flat weight plate categories as described in subsection (a) to be deposited into the Secretary of State Special License Plate Fund. The \$10 surcharge is to identify vehicles in the 12,000 lbs. and less flat weight plate categories as a covered farm vehicle. The \$10 surcharge is an annual, flat fee that shall be based on an applicant's new or existing registration year for each vehicle in the 12,000 lbs. and less flat weight plate categories. A designation as a covered farm vehicle under this subsection (a-5) shall not alter a vehicle's registration as a registration in the 12,000 lbs. or less flat weight category. The Secretary shall adopt any rules necessary to implement this subsection (a-5).

(a-10) Beginning January 1, 2019, upon the request of the vehicle owner, the Secretary of State shall collect a \$10 surcharge in addition to the fees for second division vehicles in the 8,000 lbs. and less flat weight plate category described in subsection (a) that are issued a registration plate under Article VI of this Chapter. The \$10 surcharge shall be deposited into the Secretary of State Special License Plate Fund. The \$10 surcharge is to identify a vehicle in the 8,000 lbs. and less flat weight plate category as a covered farm vehicle. The \$10 surcharge is an annual, flat fee that shall be based on an applicant's new or existing registration year for each vehicle in the 8,000 lbs. and less flat weight plate category. A designation as a covered farm vehicle under this subsection (a-10) shall not alter a vehicle's registration in the 8,000 lbs. or less flat weight category. The Secretary shall adopt any rules necessary to implement this subsection (a-10).

(b) Except as provided in Section 3-806.3, every camping trailer, motor home, mini motor home, travel trailer, truck camper or van camper used primarily for recreational purposes, and not used commercially, nor for hire, nor owned by a commercial business, may be registered for each registration year upon the filing of a proper application and the payment of a registration fee and highway use tax, according to the following table of fees:

MOTOR HOME, MINI MOTOR HOME, TRUCK CAMPER OR VAN CAMPER

Gross Weight in Lbs. Including Vehicle and Maximum Load	Total Fees Each Calendar Year
8,000 lbs and less	\$78
8,001 Lbs. to 10,000 Lbs	90
10,001 Lbs. and Over	102

CAMPING TRAILER OR TRAVEL TRAILER

Gross Weight in Lbs. Including Vehicle and Maximum Load	Total Fees Each Calendar Year
3,000 Lbs. and Less	\$18
3,001 Lbs. to 8,000 Lbs.	30
8,001 Lbs. to 10,000 Lbs.	38
10,001 Lbs. and Over	50

Every house trailer must be registered under Section 3-819.

(c) Farm Truck. Any truck used exclusively for the owner's own agricultural, horticultural or livestock raising operations and not-for-hire only, or any truck used only in the transportation for-hire of seasonal, fresh, perishable fruit or vegetables from farm to the point of first processing, may be registered by the owner under this paragraph in lieu of registration under paragraph (a), upon filing of a proper application and the payment of the \$10 registration fee and the highway use tax herein specified as follows:

SCHEDULE OF FEES AND TAXES

Gross Weight in Lbs. Including Truck and Maximum Load	Class	Total Amount for each Fiscal Year
16,000 lbs. or less	VF	<u>\$250</u> \$450
16,001 to 20,000 lbs.	VG	<u>326</u> 226
20,001 to 24,000 lbs.	VH	<u>390</u> 290
24,001 to 28,000 lbs.	VJ	<u>478</u> 378

28,001 to 32,000 lbs.	VK	606 506
32,001 to 36,000 lbs.	VL	710 610
36,001 to 45,000 lbs.	VP	910 810
45,001 to 54,999 lbs.	VR	1,126 1,026
55,000 to 64,000 lbs.	VT	1,302 1,202
64,001 to 73,280 lbs.	VV	1,390 1,290
73,281 to 77,000 lbs.	VX	1,450 1,350
77,001 to 80,000 lbs.	VZ	1,590 1,490

Of the fees collected under this subsection, \$1 of the fees shall be deposited into the Secretary of State Special Services Fund and \$99 of the fees shall be deposited into the Road Fund.

In the event the Secretary of State revokes a farm truck registration as authorized by law, the owner shall pay the flat weight tax due hereunder before operating such truck.

Any combination of vehicles having 5 axles, with a distance of 42 feet or less between extreme axles, that are subject to the weight limitations in subsection (a) of Section 15-111 for which the owner of the combination of vehicles has elected to pay, in addition to the registration fee in subsection (c), \$125 to the Secretary of State for each registration year shall be designated by the Secretary as a Special Hauling Vehicle.

(d) The number of axles necessary to carry the maximum load provided shall be determined from Chapter 15 of this Code.

(e) An owner may only apply for and receive 5 farm truck registrations, and only 2 of those 5 vehicles shall exceed 59,500 gross weight in pounds per vehicle.

(f) Every person convicted of violating this Section by failure to pay the appropriate flat weight tax to the Secretary of State as set forth in the above tables shall be punished as provided for in Section 3-401. (Source: P.A. 100-734, eff. 1-1-19; 100-956, eff. 1-1-19; revised 10-15-18.)

(625 ILCS 5/3-815.1)

Sec. 3-815.1. Commercial distribution fee. Beginning July 1, 2003, in addition to any tax or fee imposed under this Code:

(a) Vehicles of the second division with a gross vehicle weight that exceeds 8,000

pounds and that incur any tax or fee under subsection (a) of Section 3-815 of this Code or subsection (a) of Section 3-818 of this Code, as applicable, shall pay to the Secretary of State a commercial distribution fee, for each registration year, for the use of the public highways, State infrastructure, and State services, in an amount equal to: (i) for a registration year beginning on or after July 1, 2003 and before July 1, 2005, 36% of the taxes and fees incurred under subsection (a) of Section 3-815 of this Code, or subsection (a) of Section 3-818 of this Code, as applicable, rounded up to the nearest whole dollar; (ii) for a registration year beginning on or after July 1, 2005 and before July 1, 2006, 21.5% of the taxes and fees incurred under subsection (a) of Section 3-815 of this Code, or subsection (a) of Section 3-818 of this Code, as applicable, rounded up to the nearest whole dollar; and (iii) for a registration year beginning on or after July 1, 2006, 14.35% of the taxes and fees incurred under subsection (a) of Section 3-815 of this Code, or subsection (a) of Section 3-818 of this Code, as applicable, rounded up to the nearest whole dollar.

(b) Until June 30, 2004, vehicles of the second division with a gross vehicle weight of 8,000 pounds or less and that incur any tax or fee under subsection (a) of Section 3-815 of this Code or subsection (a) of Section 3-818 of this Code, as applicable, and have claimed the rolling stock exemption under the Retailers' Occupation Tax Act, Use Tax Act, Service Occupation Tax Act, or Service Use Tax Act shall pay to the Illinois Department of Revenue (or the Secretary of State under an intergovernmental agreement) a commercial distribution fee, for each registration year, for the use of the public highways, State infrastructure, and State services, in an amount equal to 36% of the taxes and fees incurred under subsection (a) of Section 3-815 of this Code or subsection (a) of Section 3-818 of this Code, as applicable, rounded up to the nearest whole dollar.

The fees paid under this Section shall be deposited by the Secretary of State into the General Revenue Fund.

This Section is repealed on July 1, 2020.

(Source: P.A. 93-23, eff. 6-20-03; 93-1033, eff. 9-3-04.)

(625 ILCS 5/3-818) (from Ch. 95 1/2, par. 3-818)

Sec. 3-818. Mileage weight tax option.

(a) Any owner of a vehicle of the second division may elect to pay a mileage weight tax for such vehicle in lieu of the flat weight tax set out in Section 3-815. Such election shall be binding to the end of the registration year. Renewal of this election must be filed with the Secretary of State on or before July 1 of each registration period. In such event the owner shall, at the time of making such election, pay the \$10

registration fee and the minimum guaranteed mileage weight tax, as hereinafter provided, which payment shall permit the owner to operate that vehicle the maximum mileage in this State hereinafter set forth. Any vehicle being operated on mileage plates cannot be operated outside of this State. In addition thereto, the owner of that vehicle shall pay a mileage weight tax at the following rates for each mile traveled in this State in excess of the maximum mileage provided under the minimum guaranteed basis:

BUS, TRUCK OR TRUCK TRACTOR

Gross Weight Vehicle and Load	Class	Minimum Guaranteed Mileage Weight Tax	Maximum Mileage Permitted Under Guaranteed Tax	Mileage Weight Tax for Mileage in excess of Guaranteed Mileage
12,000 lbs. or less	MD	\$173 \$73	5,000	26 Mills
12,001 to 16,000 lbs.	MF	220 420	6,000	34 Mills
16,001 to 20,000 lbs.	MG	280 480	6,000	46 Mills
20,001 to 24,000 lbs.	MH	335 235	6,000	63 Mills
24,001 to 28,000 lbs.	MJ	415 315	7,000	63 Mills
28,001 to 32,000 lbs.	MK	485 385	7,000	83 Mills
32,001 to 36,000 lbs.	ML	585 485	7,000	99 Mills
36,001 to 40,000 lbs.	MN	715 615	7,000	128 Mills
40,001 to 45,000 lbs.	MP	795 695	7,000	139 Mills
45,001 to 54,999 lbs.	MR	953 853	7,000	156 Mills
55,000 to 59,500 lbs.	MS	1,020 920	7,000	178 Mills
59,501 to 64,000 lbs.	MT	1,085 985	7,000	195 Mills
64,001 to 73,280 lbs.	MV	1,273 1,173	7,000	225 Mills
73,281 to 77,000 lbs.	MX	1,428 1,328	7,000	258 Mills
77,001 to 80,000 lbs.	MZ	1,515 1,415	7,000	275 Mills

TRAILER

Gross Weight Vehicle and Load	Class	Minimum Guaranteed Mileage Weight Tax	Maximum Mileage Permitted Under Guaranteed Tax	Mileage Weight Tax for Mileage in excess of Guaranteed Mileage
14,000 lbs. or less	ME	\$175 \$75	5,000	31 Mills
14,001 to 20,000 lbs.	MF	235 135	6,000	36 Mills
20,001 to 36,000 lbs.	ML	640 540	7,000	103 Mills
36,001 to 40,000 lbs.	MM	850 750	7,000	150 Mills

Of the fees collected under this subsection, \$1 of the fees shall be deposited into the Secretary of State Special Services Fund and \$99 of the fees shall be deposited into the Road Fund.

(a-1) A Special Hauling Vehicle is a vehicle or combination of vehicles of the second division registered under Section 3-813 transporting asphalt or concrete in the plastic state or a vehicle or combination of vehicles that are subject to the gross weight limitations in subsection (a) of Section 15-111 for which the owner of the vehicle or combination of vehicles has elected to pay, in addition to the registration fee in subsection (a), \$125 to the Secretary of State for each registration year. The Secretary shall designate this class of vehicle as a Special Hauling Vehicle.

In preparing rate schedules on registration applications, the Secretary of State shall add to the above rates, the \$10 registration fee. The Secretary may decline to accept any renewal filed after July 1st.

The number of axles necessary to carry the maximum load provided shall be determined from Chapter 15 of this Code.

Every owner of a second division motor vehicle for which he has elected to pay a mileage weight tax shall keep a daily record upon forms prescribed by the Secretary of State, showing the mileage covered by that vehicle in this State. Such record shall contain the license number of the vehicle and the miles traveled by the vehicle in this State for each day of the calendar month. Such owner shall also maintain records of fuel consumed by each such motor vehicle and fuel purchases therefor. On or before the 10th day of July the owner shall certify to the Secretary of State upon forms prescribed therefor, summaries of his daily records which shall show the miles traveled by the vehicle in this State during the preceding 12 months and such other information as the Secretary of State may require. The daily record and fuel records shall be filed, preserved and available for audit for a period of 3 years. Any owner filing a return hereunder shall

certify that such return is a true, correct and complete return. Any person who willfully makes a false return hereunder is guilty of perjury and shall be punished in the same manner and to the same extent as is provided therefor.

At the time of filing his return, each owner shall pay to the Secretary of State the proper amount of tax at the rate herein imposed.

Every owner of a vehicle of the second division who elects to pay on a mileage weight tax basis and who operates the vehicle within this State, shall file with the Secretary of State a bond in the amount of \$500. The bond shall be in a form approved by the Secretary of State and with a surety company approved by the Illinois Department of Insurance to transact business in this State as surety, and shall be conditioned upon such applicant's paying to the State of Illinois all money becoming due by reason of the operation of the second division vehicle in this State, together with all penalties and interest thereon.

Upon notice from the Secretary that the registrant has failed to pay the excess mileage fees, the surety shall immediately pay the fees together with any penalties and interest thereon in an amount not to exceed the limits of the bond.

(b) Beginning January 1, 2016, upon the request of the vehicle owner, a \$10 surcharge shall be collected in addition to the above fees for vehicles in the 12,000 lbs. and less mileage weight plate category as described in subsection (a) to be deposited into the Secretary of State Special License Plate Fund. The \$10 surcharge is to identify vehicles in the 12,000 lbs. and less mileage weight plate category as a covered farm vehicle. The \$10 surcharge is an annual flat fee that shall be based on an applicant's new or existing registration year for each vehicle in the 12,000 lbs. and less mileage weight plate category. A designation as a covered farm vehicle under this subsection (b) shall not alter a vehicle's registration as a registration in the 12,000 lbs. or less mileage weight category. The Secretary shall adopt any rules necessary to implement this subsection (b).

(Source: P.A. 99-57, eff. 7-16-15; 99-642, eff. 7-28-16.)

(625 ILCS 5/3-819) (from Ch. 95 1/2, par. 3-819)

Sec. 3-819. Trailer; Flat weight tax.

(a) Farm Trailer. Any farm trailer drawn by a motor vehicle of the second division registered under paragraph (a) or (c) of Section 3-815 and used exclusively by the owner for his own agricultural, horticultural or livestock raising operations and not used for hire, or any farm trailer utilized only in the transportation for-hire of seasonal, fresh, perishable fruit or vegetables from farm to the point of first processing, and any trailer used with a farm tractor that is not an implement of husbandry may be registered under this paragraph in lieu of registration under paragraph (b) of this Section upon the filing of a proper application and the payment of the \$10 registration fee and the highway use tax herein for use of the public highways of this State, at the following rates which include the \$10 registration fee:

SCHEDULE OF FEES AND TAXES

Gross Weight in Lbs. Including Vehicle and Maximum Load	Class	Total Amount each Fiscal Year
10,000 lbs. or less	VDD	<u>\$160</u> \$60
10,001 to 14,000 lbs.	VDE	<u>206</u> 406
14,001 to 20,000 lbs.	VDG	<u>266</u> 466
20,001 to 28,000 lbs.	VDJ	<u>478</u> 378
28,001 to 36,000 lbs.	VDL	<u>750</u> 650

An owner may only apply for and receive two farm trailer registrations.

(b) All other owners of trailers, other than apportionable trailers registered under Section 3-402.1 of this Code, used with a motor vehicle on the public highways, shall pay to the Secretary of State for each registration year a flat weight tax, for the use of the public highways of this State, at the following rates (which includes the registration fee of \$10 required by Section 3-813):

SCHEDULE OF TRAILER FLAT WEIGHT TAX REQUIRED BY LAW

Gross Weight in Lbs. Including Vehicle and Maximum Load	Class	Total Fees each Fiscal Year
3,000 lbs. and less	TA	<u>\$118</u> \$48
5,000 lbs. and more than 3,000	TB	<u>154</u> 54
8,000 lbs. and more than 5,000	TC	<u>158</u> 58
10,000 lbs. and more than 8,000	TD	<u>206</u> 406
14,000 lbs. and more than 10,000	TE	<u>270</u> 470

[June 2, 2019]

20,000 lbs. and more than 14,000	TG	<u>358 258</u>
32,000 lbs. and more than 20,000	TK	<u>822 722</u>
36,000 lbs. and more than 32,000	TL	<u>1,182 1,082</u>
40,000 lbs. and more than 36,000	TN	<u>1,602 1,502</u>

Of the fees collected under this subsection, \$1 of the fees shall be deposited into the Secretary of State Special Services Fund and \$99 of the additional fees shall be deposited into the Road Fund.

(c) The number of axles necessary to carry the maximum load provided shall be determined from Chapter 15 of this Code.

(Source: P.A. 96-328, eff. 8-11-09.)

(625 ILCS 5/3-821) (from Ch. 95 1/2, par. 3-821)

Sec. 3-821. Miscellaneous registration and title fees.

(a) Except as provided under subsection (h), the fee to be paid to the Secretary of State for the following certificates, registrations or evidences of proper registration, or for corrected or duplicate documents shall be in accordance with the following schedule:

Certificate of Title, except for an all-terrain vehicle or off-highway motorcycle, <u>prior to July 1, 2019</u>		\$95
<u>Certificate of Title, except for an all-terrain vehicle, off-highway motorcycle, or motor home, mini motor home or van camper, on and after July 1, 2019</u>		\$150
<u>Certificate of Title for a motor home, mini motor home, or van camper, on and after July 1, 2019</u>		\$250
Certificate of Title for an all-terrain vehicle or off-highway motorcycle		\$30
Certificate of Title for an all-terrain vehicle or off-highway motorcycle used for production agriculture, or accepted by a dealer in trade		13
Certificate of Title for a low-speed vehicle		30
Transfer of Registration or any evidence of proper registration		\$25
Duplicate Registration Card for plates or other evidence of proper registration		3
Duplicate Registration Sticker or Stickers, each		20
Duplicate Certificate of Title, <u>prior to July 1, 2019</u>		95
<u>Duplicate Certificate of Title, on and after July 1, 2019</u>		\$50
Corrected Registration Card or Card for other evidence of proper registration		3
Corrected Certificate of Title		95
Salvage Certificate, <u>prior to July 1, 2019</u>		4
<u>Salvage Certificate, on and after July 1, 2019</u>		\$20
Fleet Reciprocity Permit		15
Prorate Decal		1
Prorate Backing Plate		3
Special Corrected Certificate of Title		15
Expedited Title Service (to be charged in addition to other applicable fees)		30
Dealer Lien Release Certificate of Title		20
<u>Junking Certificate, on and after July 1, 2019</u>		\$10

A special corrected certificate of title shall be issued (i) to remove a co-owner's name due to the death of the co-owner, to transfer title to a spouse if the decedent-spouse was the sole owner on the title, or due to a divorce; (ii) to change a co-owner's name due to a marriage; or (iii) due to a name change under Article XXI of the Code of Civil Procedure.

There shall be no fee paid for a Junking Certificate prior to July 1, 2019.

There shall be no fee paid for a certificate of title issued to a county when the vehicle is forfeited to the county under Article 36 of the Criminal Code of 2012.

(a-5) The Secretary of State may revoke a certificate of title and registration card and issue a corrected certificate of title and registration card, at no fee to the vehicle owner or lienholder, if there is proof that the vehicle identification number is erroneously shown on the original certificate of title.

(a-10) The Secretary of State may issue, in connection with the sale of a motor vehicle, a corrected title to a motor vehicle dealer upon application and submittal of a lien release letter from the lienholder listed in the files of the Secretary. In the case of a title issued by another state, the dealer must submit proof from the state that issued the last title. The corrected title, which shall be known as a dealer lien release certificate

of title, shall be issued in the name of the vehicle owner without the named lienholder. If the motor vehicle is currently titled in a state other than Illinois, the applicant must submit either (i) a letter from the current lienholder releasing the lien and stating that the lienholder has possession of the title; or (ii) a letter from the current lienholder releasing the lien and a copy of the records of the department of motor vehicles for the state in which the vehicle is titled, showing that the vehicle is titled in the name of the applicant and that no liens are recorded other than the lien for which a release has been submitted. The fee for the dealer lien release certificate of title is \$20.

(b) The Secretary may prescribe the maximum service charge to be imposed upon an applicant for renewal of a registration by any person authorized by law to receive and remit or transmit to the Secretary such renewal application and fees therewith.

(c) If payment is delivered to the Office of the Secretary of State as payment of any fee or tax under this Code, and such payment is not honored for any reason, the registrant or other person tendering the payment remains liable for the payment of such fee or tax. The Secretary of State may assess a service charge of \$25 in addition to the fee or tax due and owing for all dishonored payments.

If the total amount then due and owing exceeds the sum of \$100 and has not been paid in full within 60 days from the date the dishonored payment was first delivered to the Secretary of State, the Secretary of State shall assess a penalty of 25% of such amount remaining unpaid.

All amounts payable under this Section shall be computed to the nearest dollar. Out of each fee collected for dishonored payments, \$5 shall be deposited in the Secretary of State Special Services Fund.

(d) The minimum fee and tax to be paid by any applicant for apportionment of a fleet of vehicles under this Code shall be \$15 if the application was filed on or before the date specified by the Secretary together with fees and taxes due. If an application and the fees or taxes due are filed after the date specified by the Secretary, the Secretary may prescribe the payment of interest at the rate of 1/2 of 1% per month or fraction thereof after such due date and a minimum of \$8.

(e) Trucks, truck tractors, truck tractors with loads, and motor buses, any one of which having a combined total weight in excess of 12,000 lbs. shall file an application for a Fleet Reciprocity Permit issued by the Secretary of State. This permit shall be in the possession of any driver operating a vehicle on Illinois highways. Any foreign licensed vehicle of the second division operating at any time in Illinois without a Fleet Reciprocity Permit or other proper Illinois registration, shall subject the operator to the penalties provided in Section 3-834 of this Code. For the purposes of this Code, "Fleet Reciprocity Permit" means any second division motor vehicle with a foreign license and used only in interstate transportation of goods. The fee for such permit shall be \$15 per fleet which shall include all vehicles of the fleet being registered.

(f) For purposes of this Section, "all-terrain vehicle or off-highway motorcycle used for production agriculture" means any all-terrain vehicle or off-highway motorcycle used in the raising of or the propagation of livestock, crops for sale for human consumption, crops for livestock consumption, and production seed stock grown for the propagation of feed grains and the husbandry of animals or for the purpose of providing a food product, including the husbandry of blood stock as a main source of providing a food product. "All-terrain vehicle or off-highway motorcycle used in production agriculture" also means any all-terrain vehicle or off-highway motorcycle used in animal husbandry, floriculture, aquaculture, horticulture, and viticulture.

(g) All of the proceeds of the additional fees imposed by Public Act 96-34 shall be deposited into the Capital Projects Fund.

(h) The fee for a duplicate registration sticker or stickers shall be the amount required under subsection (a) or the vehicle's annual registration fee amount, whichever is less.

(i) All of the proceeds of the additional fees imposed by this amendatory Act of the 101st General Assembly shall be deposited into the Road Fund.

(Source: P.A. 99-260, eff. 1-1-16; 99-607, eff. 7-22-16; 100-956, eff. 1-1-19.)

Section 15-50. The State Finance Act is amended by adding Sections 5.891, 5.893, and 5.894 as follows:

Sec. 5.891. The Transportation Renewal Fund.

(30 ILCS 105/5.893 new)

Sec. 5.893. The Regional Transportation Authority Capital Improvement Fund.

(30 ILCS 105/5.894 new)

Sec. 5.894. The Downstate Mass Transportation Capital Improvement Fund.

ARTICLE 20. ILLINOIS VEHICLE CODE; VIOLATIONS

Section 20-5. The Illinois Vehicle Code is amended by changing Section 11-208.3 as follows:
(625 ILCS 5/11-208.3) (from Ch. 95 1/2, par. 11-208.3)

Sec. 11-208.3. Administrative adjudication of violations of traffic regulations concerning the standing, parking, or condition of vehicles, automated traffic law violations, and automated speed enforcement system violations.

(a) Any municipality or county may provide by ordinance for a system of administrative adjudication of vehicular standing and parking violations and vehicle compliance violations as described in this subsection, automated traffic law violations as defined in Section 11-208.6, 11-208.9, or 11-1201.1, and automated speed enforcement system violations as defined in Section 11-208.8. The administrative system shall have as its purpose the fair and efficient enforcement of municipal or county regulations through the administrative adjudication of automated speed enforcement system or automated traffic law violations and violations of municipal or county ordinances regulating the standing and parking of vehicles, the condition and use of vehicle equipment, and the display of municipal or county wheel tax licenses within the municipality's or county's borders. The administrative system shall only have authority to adjudicate civil offenses carrying fines not in excess of \$500 or requiring the completion of a traffic education program, or both, that occur after the effective date of the ordinance adopting such a system under this Section. For purposes of this Section, "compliance violation" means a violation of a municipal or county regulation governing the condition or use of equipment on a vehicle or governing the display of a municipal or county wheel tax license.

(b) Any ordinance establishing a system of administrative adjudication under this Section shall provide for:

(1) A traffic compliance administrator authorized to adopt, distribute and process parking, compliance, and automated speed enforcement system or automated traffic law violation notices and other notices required by this Section, collect money paid as fines and penalties for violation of parking and compliance ordinances and automated speed enforcement system or automated traffic law violations, and operate an administrative adjudication system. The traffic compliance administrator also may make a certified report to the Secretary of State under Section 6-306.5.

(2) A parking, standing, compliance, automated speed enforcement system, or automated traffic law violation notice that shall specify or include the date, time, and place of violation of a parking, standing, compliance, automated speed enforcement system, or automated traffic law regulation; the particular regulation violated; any requirement to complete a traffic education program; the fine and any penalty that may be assessed for late payment or failure to complete a required traffic education program, or both, when so provided by ordinance; the vehicle make or a photograph of the vehicle; the and state registration number of the vehicle; and the identification number of the person issuing the notice. With regard to automated speed enforcement system or automated traffic law violations, vehicle make shall be specified on the automated speed enforcement system or automated traffic law violation notice if the notice does not include a photograph of the vehicle and the make is available and readily discernible. With regard to municipalities or counties with a population of 1 million or more, it shall be grounds for dismissal of a parking violation if the state registration number or vehicle make specified is incorrect. The violation notice shall state that the completion of any required traffic education program, the payment of any indicated fine, and the payment of any applicable penalty for late payment or failure to complete a required traffic education program, or both, shall operate as a final disposition of the violation. The notice also shall contain information as to the availability of a hearing in which the violation may be contested on its merits. The violation notice shall specify the time and manner in which a hearing may be had.

(3) Service of ~~a the~~ parking, standing, or compliance violation notice by :(i) affixing the original or a facsimile of the notice to an unlawfully parked or standing vehicle; or (ii) by handing the notice to the operator of a vehicle if he or she is present ; or (iii) mailing the notice to the address of the registered owner or lessee of the cited vehicle as recorded with the Secretary of State or the lessor of the motor vehicle within 30 days after the Secretary of State or the lessor of the motor vehicle notifies the municipality or county of the identity of the owner or lessee of the vehicle, but not later than 90 days after date of the violation, except that in the case of a lessee of a motor vehicle, service of a parking, standing, or compliance violation notice may occur no later than 210 days after the violation; and service of an automated speed enforcement system or automated traffic law violation notice by mail to the address of the registered owner or lessee of the cited vehicle as recorded with the Secretary of State or the lessor of the motor vehicle within 30 days after the Secretary of State or the lessor of the motor vehicle notifies the municipality or county of the identity of the owner or lessee of the vehicle, but not later than 90 days after the violation, except that in the case of a lessee of a motor vehicle, service of an automated traffic law violation notice may occur no later than 210 days after the violation. A person

authorized by ordinance to issue and serve parking, standing, and compliance violation notices shall certify as to the correctness of the facts entered on the violation notice by signing his or her name to the notice at the time of service or in the case of a notice produced by a computerized device, by signing a single certificate to be kept by the traffic compliance administrator attesting to the correctness of all notices produced by the device while it was under his or her control. In the case of an automated traffic law violation, the ordinance shall require a determination by a technician employed or contracted by the municipality or county that, based on inspection of recorded images, the motor vehicle was being operated in violation of Section 11-208.6, 11-208.9, or 11-1201.1 or a local ordinance. If the technician determines that the vehicle entered the intersection as part of a funeral procession or in order to yield the right-of-way to an emergency vehicle, a citation shall not be issued. In municipalities with a population of less than 1,000,000 inhabitants and counties with a population of less than 3,000,000 inhabitants, the automated traffic law ordinance shall require that all determinations by a technician that a motor vehicle was being operated in violation of Section 11-208.6, 11-208.9, or 11-1201.1 or a local ordinance must be reviewed and approved by a law enforcement officer or retired law enforcement officer of the municipality or county issuing the violation. In municipalities with a population of 1,000,000 or more inhabitants and counties with a population of 3,000,000 or more inhabitants, the automated traffic law ordinance shall require that all determinations by a technician that a motor vehicle was being operated in violation of Section 11-208.6, 11-208.9, or 11-1201.1 or a local ordinance must be reviewed and approved by a law enforcement officer or retired law enforcement officer of the municipality or county issuing the violation or by an additional fully-trained reviewing technician who is not employed by the contractor who employs the technician who made the initial determination. In the case of an automated speed enforcement system violation, the ordinance shall require a determination by a technician employed by the municipality, based upon an inspection of recorded images, video or other documentation, including documentation of the speed limit and automated speed enforcement signage, and documentation of the inspection, calibration, and certification of the speed equipment, that the vehicle was being operated in violation of Article VI of Chapter 11 of this Code or a similar local ordinance. If the technician determines that the vehicle speed was not determined by a calibrated, certified speed equipment device based upon the speed equipment documentation, or if the vehicle was an emergency vehicle, a citation may not be issued. The automated speed enforcement ordinance shall require that all determinations by a technician that a violation occurred be reviewed and approved by a law enforcement officer or retired law enforcement officer of the municipality issuing the violation or by an additional fully trained reviewing technician who is not employed by the contractor who employs the technician who made the initial determination. Routine and independent calibration of the speeds produced by automated speed enforcement systems and equipment shall be conducted annually by a qualified technician. Speeds produced by an automated speed enforcement system shall be compared with speeds produced by lidar or other independent equipment. Radar or lidar equipment shall undergo an internal validation test no less frequently than once each week. Qualified technicians shall test loop based equipment no less frequently than once a year. Radar equipment shall be checked for accuracy by a qualified technician when the unit is serviced, when unusual or suspect readings persist, or when deemed necessary by a reviewing technician. Radar equipment shall be checked with the internal frequency generator and the internal circuit test whenever the radar is turned on. Technicians must be alert for any unusual or suspect readings, and if unusual or suspect readings of a radar unit persist, that unit shall immediately be removed from service and not returned to service until it has been checked by a qualified technician and determined to be functioning properly. Documentation of the annual calibration results, including the equipment tested, test date, technician performing the test, and test results, shall be maintained and available for use in the determination of an automated speed enforcement system violation and issuance of a citation. The technician performing the calibration and testing of the automated speed enforcement equipment shall be trained and certified in the use of equipment for speed enforcement purposes. Training on the speed enforcement equipment may be conducted by law enforcement, civilian, or manufacturer's personnel and if applicable may be equivalent to the equipment use and operations training included in the Speed Measuring Device Operator Program developed by the National Highway Traffic Safety Administration (NHTSA). The vendor or technician who performs the work shall keep accurate records on each piece of equipment the technician calibrates and tests. As used in this paragraph, "fully-trained reviewing technician" means a person who has received at least 40 hours of supervised training in subjects which shall include image inspection and interpretation, the elements necessary to prove a violation, license plate identification, and traffic safety and management. In all municipalities and counties, the automated speed enforcement system or automated traffic law ordinance shall require that no additional fee shall be charged to the alleged violator for exercising his or her right to an administrative hearing, and persons shall be given at least

25 days following an administrative hearing to pay any civil penalty imposed by a finding that Section 11-208.6, 11-208.8, 11-208.9, or 11-1201.1 or a similar local ordinance has been violated. The original or a facsimile of the violation notice or, in the case of a notice produced by a computerized device, a printed record generated by the device showing the facts entered on the notice, shall be retained by the traffic compliance administrator, and shall be a record kept in the ordinary course of business. A parking, standing, compliance, automated speed enforcement system, or automated traffic law violation notice issued, signed and served in accordance with this Section, a copy of the notice, or the computer generated record shall be prima facie correct and shall be prima facie evidence of the correctness of the facts shown on the notice. The notice, copy, or computer generated record shall be admissible in any subsequent administrative or legal proceedings.

(4) An opportunity for a hearing for the registered owner of the vehicle cited in the parking, standing, compliance, automated speed enforcement system, or automated traffic law violation notice in which the owner may contest the merits of the alleged violation, and during which formal or technical rules of evidence shall not apply; provided, however, that under Section 11-1306 of this Code the lessee of a vehicle cited in the violation notice likewise shall be provided an opportunity for a hearing of the same kind afforded the registered owner. The hearings shall be recorded, and the person conducting the hearing on behalf of the traffic compliance administrator shall be empowered to administer oaths and to secure by subpoena both the attendance and testimony of witnesses and the production of relevant books and papers. Persons appearing at a hearing under this Section may be represented by counsel at their expense. The ordinance may also provide for internal administrative review following the decision of the hearing officer.

(5) Service of additional notices, sent by first class United States mail, postage prepaid, to the address of the registered owner of the cited vehicle as recorded with the Secretary of State or, if any notice to that address is returned as undeliverable, to the last known address recorded in a United States Post Office approved database, or, under Section 11-1306 or subsection (p) of Section 11-208.6 or 11-208.9, or subsection (p) of Section 11-208.8 of this Code, to the lessee of the cited vehicle at the last address known to the lessor of the cited vehicle at the time of lease or, if any notice to that address is returned as undeliverable, to the last known address recorded in a United States Post Office approved database. The service shall be deemed complete as of the date of deposit in the United States mail. The notices shall be in the following sequence and shall include but not be limited to the information specified herein:

(i) A second notice of parking, standing, or compliance violation if the first notice of the violation was issued by affixing the original or a facsimile of the notice to the unlawfully parked vehicle or by handing the notice to the operator. This notice

shall specify or include the date and location of the violation cited in the parking, standing, or compliance violation notice, the particular regulation violated, the vehicle make or a photograph of the vehicle, the ~~and~~ state registration number of the vehicle, any requirement to complete a traffic education program, the fine and any penalty that may be assessed for late payment or failure to complete a traffic education program, or both, when so provided by ordinance, the availability of a hearing in which the violation may be contested on its merits, and the time and manner in which the hearing may be had. The notice of violation shall also state that failure to complete a required traffic education program, to pay the indicated fine and any applicable penalty, or to appear at a hearing on the merits in the time and manner specified, will result in a final determination of violation liability for the cited violation in the amount of the fine or penalty indicated, and that, upon the occurrence of a final determination of violation liability for the failure, and the exhaustion of, or failure to exhaust, available administrative or judicial procedures for review, any incomplete traffic education program or any unpaid fine or penalty, or both, will constitute a debt due and owing the municipality or county.

(ii) A notice of final determination of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation liability. This notice shall be sent following a final determination of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation liability and the conclusion of judicial review procedures taken under this Section. The notice shall state that the incomplete traffic education program or the unpaid fine or penalty, or both, is a debt due and owing the municipality or county. The notice shall contain warnings that failure to complete any required traffic education program or to pay any fine or penalty due and owing the municipality or county, or both, within the time specified may result in the municipality's or county's filing of a petition in the Circuit Court to have the incomplete traffic education program or unpaid fine or penalty, or both, rendered a judgment as provided by this Section, or may result in suspension of the person's drivers license for failure to complete a traffic education program or to pay fines or penalties, or both, for 10 or more parking violations under Section 6-306.5,

or a combination of 5 or more automated traffic law violations under Section 11-208.6 or 11-208.9 or automated speed enforcement system violations under Section 11-208.8.

(6) A notice of impending drivers license suspension. This notice shall be sent to the person liable for failure to complete a required traffic education program or to pay any fine or penalty that remains due and owing, or both, on 10 or more parking violations or combination of 5 or more unpaid automated speed enforcement system or automated traffic law violations. The notice shall state that failure to complete a required traffic education program or to pay the fine or penalty owing, or both, within 45 days of the notice's date will result in the municipality or county notifying the Secretary of State that the person is eligible for initiation of suspension proceedings under Section 6-306.5 of this Code. The notice shall also state that the person may obtain a photostatic copy of an original ticket imposing a fine or penalty by sending a self addressed, stamped envelope to the municipality or county along with a request for the photostatic copy. The notice of impending drivers license suspension shall be sent by first class United States mail, postage prepaid, to the address recorded with the Secretary of State or, if any notice to that address is returned as undeliverable, to the last known address recorded in a United States Post Office approved database.

(7) Final determinations of violation liability. A final determination of violation liability shall occur following failure to complete the required traffic education program or to pay the fine or penalty, or both, after a hearing officer's determination of violation liability and the exhaustion of or failure to exhaust any administrative review procedures provided by ordinance. Where a person fails to appear at a hearing to contest the alleged violation in the time and manner specified in a prior mailed notice, the hearing officer's determination of violation liability shall become final: (A) upon denial of a timely petition to set aside that determination, or (B) upon expiration of the period for filing the petition without a filing having been made.

(8) A petition to set aside a determination of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation liability that may be filed by a person owing an unpaid fine or penalty. A petition to set aside a determination of liability may also be filed by a person required to complete a traffic education program. The petition shall be filed with and ruled upon by the traffic compliance administrator in the manner and within the time specified by ordinance. The grounds for the petition may be limited to: (A) the person not having been the owner or lessee of the cited vehicle on the date the violation notice was issued, (B) the person having already completed the required traffic education program or paid the fine or penalty, or both, for the violation in question, and (C) excusable failure to appear at or request a new date for a hearing. With regard to municipalities or counties with a population of 1 million or more, it shall be grounds for dismissal of a parking violation if the state registration number, or vehicle make only if specified in the violation notice, is incorrect. After the determination of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation liability has been set aside upon a showing of just cause, the registered owner shall be provided with a hearing on the merits for that violation.

(9) Procedures for non-residents. Procedures by which persons who are not residents of the municipality or county may contest the merits of the alleged violation without attending a hearing.

(10) A schedule of civil fines for violations of vehicular standing, parking, compliance, automated speed enforcement system, or automated traffic law regulations enacted by ordinance pursuant to this Section, and a schedule of penalties for late payment of the fines or failure to complete required traffic education programs, provided, however, that the total amount of the fine and penalty for any one violation shall not exceed \$250, except as provided in subsection (c) of Section 11-1301.3 of this Code.

(11) Other provisions as are necessary and proper to carry into effect the powers granted and purposes stated in this Section.

(c) Any municipality or county establishing vehicular standing, parking, compliance, automated speed enforcement system, or automated traffic law regulations under this Section may also provide by ordinance for a program of vehicle immobilization for the purpose of facilitating enforcement of those regulations. The program of vehicle immobilization shall provide for immobilizing any eligible vehicle upon the public way by presence of a restraint in a manner to prevent operation of the vehicle. Any ordinance establishing a program of vehicle immobilization under this Section shall provide:

(1) Criteria for the designation of vehicles eligible for immobilization. A vehicle shall be eligible for immobilization when the registered owner of the vehicle has accumulated the number of incomplete traffic education programs or unpaid final determinations of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation liability, or both, as determined by ordinance.

(2) A notice of impending vehicle immobilization and a right to a hearing to challenge

the validity of the notice by disproving liability for the incomplete traffic education programs or unpaid final determinations of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation liability, or both, listed on the notice.

(3) The right to a prompt hearing after a vehicle has been immobilized or subsequently towed without the completion of the required traffic education program or payment of the outstanding fines and penalties on parking, standing, compliance, automated speed enforcement system, or automated traffic law violations, or both, for which final determinations have been issued. An order issued after the hearing is a final administrative decision within the meaning of Section 3-101 of the Code of Civil Procedure.

(4) A post immobilization and post-towing notice advising the registered owner of the vehicle of the right to a hearing to challenge the validity of the impoundment.

(d) Judicial review of final determinations of parking, standing, compliance, automated speed enforcement system, or automated traffic law violations and final administrative decisions issued after hearings regarding vehicle immobilization and impoundment made under this Section shall be subject to the provisions of the Administrative Review Law.

(e) Any fine, penalty, incomplete traffic education program, or part of any fine or any penalty remaining unpaid after the exhaustion of, or the failure to exhaust, administrative remedies created under this Section and the conclusion of any judicial review procedures shall be a debt due and owing the municipality or county and, as such, may be collected in accordance with applicable law. Completion of any required traffic education program and payment in full of any fine or penalty resulting from a standing, parking, compliance, automated speed enforcement system, or automated traffic law violation shall constitute a final disposition of that violation.

(f) After the expiration of the period within which judicial review may be sought for a final determination of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation, the municipality or county may commence a proceeding in the Circuit Court for purposes of obtaining a judgment on the final determination of violation. Nothing in this Section shall prevent a municipality or county from consolidating multiple final determinations of parking, standing, compliance, automated speed enforcement system, or automated traffic law violations against a person in a proceeding. Upon commencement of the action, the municipality or county shall file a certified copy or record of the final determination of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation, which shall be accompanied by a certification that recites facts sufficient to show that the final determination of violation was issued in accordance with this Section and the applicable municipal or county ordinance. Service of the summons and a copy of the petition may be by any method provided by Section 2-203 of the Code of Civil Procedure or by certified mail, return receipt requested, provided that the total amount of fines and penalties for final determinations of parking, standing, compliance, automated speed enforcement system, or automated traffic law violations does not exceed \$2500. If the court is satisfied that the final determination of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation was entered in accordance with the requirements of this Section and the applicable municipal or county ordinance, and that the registered owner or the lessee, as the case may be, had an opportunity for an administrative hearing and for judicial review as provided in this Section, the court shall render judgment in favor of the municipality or county and against the registered owner or the lessee for the amount indicated in the final determination of parking, standing, compliance, automated speed enforcement system, or automated traffic law violation, plus costs. The judgment shall have the same effect and may be enforced in the same manner as other judgments for the recovery of money.

(g) The fee for participating in a traffic education program under this Section shall not exceed \$25.

A low-income individual required to complete a traffic education program under this Section who provides proof of eligibility for the federal earned income tax credit under Section 32 of the Internal Revenue Code or the Illinois earned income tax credit under Section 212 of the Illinois Income Tax Act shall not be required to pay any fee for participating in a required traffic education program.

(Source: P.A. 97-29, eff. 1-1-12; 97-333, eff. 8-12-11; 97-672, eff. 7-1-12; 98-556, eff. 1-1-14; 98-1028, eff. 8-22-14.)

ARTICLE 25. COUNTY MOTOR FUEL TAX

Section 25-5. The Counties Code is amended by changing Section 5-1035.1 as follows:

(55 ILCS 5/5-1035.1) (from Ch. 34, par. 5-1035.1)

Sec. 5-1035.1. County Motor Fuel Tax Law.

(a) The county board of the counties of DuPage, Kane, Lake, Will, and McHenry may, by an ordinance or resolution adopted by an affirmative vote of a majority of the members elected or appointed to the county board, impose a tax upon all persons engaged in the county in the business of selling motor fuel, as now or hereafter defined in the Motor Fuel Tax Law, at retail for the operation of motor vehicles upon public highways or for the operation of recreational watercraft upon waterways. Kane County may exempt diesel fuel from the tax imposed pursuant to this Section. The initial tax rate may not be less than be imposed, in half-cent increments, at a rate not exceeding 4 cents per gallon of motor fuel sold at retail within the county for the purpose of use or consumption and not for the purpose of resale and may not exceed 8 cents per gallon of motor fuel sold at retail within the county for the purpose of use or consumption and not for the purpose of resale. The proceeds from the tax shall be used by the county solely for the purpose of operating, constructing and improving public highways and waterways, and acquiring real property and right-of-ways for public highways and waterways within the county imposing the tax.

(a-5) By June 1, 2020, and by June 1 of each year thereafter, the Department of Revenue shall determine an annual rate increase to take effect on July 1 of that calendar year and continue through June 30 of the next calendar year. Not later than June 1 of each year, the Department of Revenue shall publish on its website the rate that will take effect on July 1 of that calendar year. The rate shall be equal to the product of the rate in effect multiplied by the transportation fee index factor determined under Section 2e of the Motor Fuel Tax Law. The rate shall be rounded to the nearest one-tenth of a one cent. Each new rate may not exceed the rate in effect on June 30 of the previous year plus one cent.

(b) A tax imposed pursuant to this Section, and all civil penalties that may be assessed as an incident thereof, shall be administered, collected and enforced by the Illinois Department of Revenue in the same manner as the tax imposed under the Retailers' Occupation Tax Act, as now or hereafter amended, insofar as may be practicable; except that in the event of a conflict with the provisions of this Section, this Section shall control. The Department of Revenue shall have full power: to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder.

(c) Whenever the Department determines that a refund shall be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the County Option Motor Fuel Tax Fund.

(d) The Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes and penalties collected hereunder, which shall be deposited into the County Option Motor Fuel Tax Fund, a special fund in the State Treasury which is hereby created. On or before the 25th day of each calendar month, the Department shall prepare and certify to the State Comptroller the disbursement of stated sums of money to named counties for which taxpayers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda) collected hereunder from retailers within the county during the second preceding calendar month by the Department, but not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of the county; less 2% of the balance, which sum shall be retained by the State Treasurer to cover the costs incurred by the Department in administering and enforcing the provisions of this Section. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify to the Comptroller the amount so retained by the State Treasurer, which shall be transferred into the Tax Compliance and Administration Fund.

(e) A county may direct, by ordinance, that all or a portion of the taxes and penalties collected under the County Option Motor Fuel Tax shall be deposited into the Transportation Development Partnership Trust Fund.

(f) Nothing in this Section shall be construed to authorize a county to impose a tax upon the privilege of engaging in any business which under the Constitution of the United States may not be made the subject of taxation by this State.

(g) An ordinance or resolution imposing a tax hereunder or effecting a change in the rate thereof shall be effective on the first day of the second calendar month next following the month in which the ordinance or resolution is adopted and a certified copy thereof is filed with the Department of Revenue, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the county as of the effective date of the ordinance or resolution. Upon a change in rate of a tax levied hereunder, or upon the discontinuance of the tax, the county board of the county shall, on or not later than 5 days after

the effective date of the ordinance or resolution discontinuing the tax or effecting a change in rate, transmit to the Department of Revenue a certified copy of the ordinance or resolution effecting the change or discontinuance.

(h) This Section shall be known and may be cited as the County Motor Fuel Tax Law.
(Source: P.A. 98-1049, eff. 8-25-14.)

ARTICLE 30. SUPPLEMENTAL TRANSPORTATION FUNDING

Section 30-5. The Department of Transportation Law of the Civil Administrative Code of Illinois is amended by adding Section 2705-615 as follows:

(20 ILCS 2705/2705-615 new)

Sec. 2705-615. Supplemental funding; Illinois Transportation Enhancement Program.

(a) In addition to any other funding that may be provided to the Illinois Transportation Enhancement Program from federal, State, or other sources, including, but not limited to, the Transportation Alternatives Set-Aside of the Surface Transportation Block Grant Program, the Department shall set aside \$50,000,000 received by the Department from the Road Fund for the projects in the following categories: pedestrian and bicycle facilities and the conversion of abandoned railroad corridors to trails.

(b) Except as provided in subsection (c), funds set aside under subsection (a) shall be administered according to the requirements of the current Guidelines Manual published by the Department for the Illinois Transportation Enhancement Program, including, but not limited to, decision-making by the Department and the applicable Metropolitan Planning Organization and proportional fund distribution according to population size.

(c) For projects funded under this Section:

(1) local matching funding shall be required according to a sliding scale based on community size, median income, and total property tax base;

(2) Phase I Studies and Phase I Engineering Reports are not required to be completed before application is made; and

(3) at least 25% of funding shall be directed towards projects in high-need communities, based on community median income and total property tax base.

(d) The Department shall adopt rules necessary to implement this Section.

(e) The Department shall adhere to a 2-year funding cycle for the Illinois Transportation Enhancement Program with calls for projects at least every other year.

(f) The Department shall make all funded and unfunded the Illinois Transportation Enhancement Program applications publicly available upon completion of each funding cycle, including how each application scored on the program criteria.

ARTICLE 99. EFFECTIVE DATE

Section 999. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 1939**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2023

A bill for AN ACT concerning regulation.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2023

House Amendment No. 2 to SENATE BILL NO. 2023

Passed the House, as amended, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2023

[June 2, 2019]

AMENDMENT NO. 1. Amend Senate Bill 2023 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Procurement Code is amended by changing Section 1-10 as follows:

(30 ILCS 500/1-10)

Sec. 1-10. Application.

(a) This Code applies only to procurements for which bidders, offerors, potential contractors, or contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including but not limited to any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

(1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies, except as specifically provided in this Code.

(2) Grants, except for the filing requirements of Section 20-80.

(3) Purchase of care, except as provided in Section 5-30.6 of the Illinois Public Aid Code and this Section.

(4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.

(5) Collective bargaining contracts.

(6) Purchase of real estate, except that notice of this type of contract with a value of more than \$25,000 must be published in the Procurement Bulletin within 10 calendar days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

(7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.

(8) (Blank).

(9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.

(10) (Blank).

(11) Public-private agreements entered into according to the procurement requirements of Section 20 of the Public-Private Partnerships for Transportation Act and design-build agreements entered into according to the procurement requirements of Section 25 of the Public-Private Partnerships for Transportation Act.

(12) Contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 by the Illinois Finance Authority in which the State of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the Board of the Illinois Finance Authority and are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35, and 50-37 of this Code, as well as the final approval by the Board of the Illinois Finance Authority of the terms of the contract.

(13) Contracts for services, commodities, and equipment to support the delivery of timely forensic science services in consultation with and subject to the approval of the Chief Procurement Officer as provided in subsection (d) of Section 5-4-3a of the Unified Code of Corrections, except for the requirements of Sections 20-60, 20-65, 20-70, and 20-160 and Article 50 of this Code; however, the Chief Procurement Officer may, in writing with justification, waive any certification required under Article 50 of this Code. For any contracts for services which are currently provided by members of a collective bargaining agreement, the applicable terms of the collective bargaining agreement concerning subcontracting shall be followed.

On and after January 1, 2019, this paragraph (13), except for this sentence, is inoperative.

(14) Contracts for participation expenditures required by a domestic or international trade show or exhibition of an exhibitor, member, or sponsor.

(15) Contracts with a railroad or utility that requires the State to reimburse the

[June 2, 2019]

railroad or utilities for the relocation of utilities for construction or other public purpose. Contracts included within this paragraph (15) shall include, but not be limited to, those associated with: relocations, crossings, installations, and maintenance. For the purposes of this paragraph (15), "railroad" means any form of non-highway ground transportation that runs on rails or electromagnetic guideways and "utility" means: (1) public utilities as defined in Section 3-105 of the Public Utilities Act, (2) telecommunications carriers as defined in Section 13-202 of the Public Utilities Act, (3) electric cooperatives as defined in Section 3.4 of the Electric Supplier Act, (4) telephone or telecommunications cooperatives as defined in Section 13-212 of the Public Utilities Act, (5) rural water or waste water systems with 10,000 connections or less, (6) a holder as defined in Section 21-201 of the Public Utilities Act, and (7) municipalities owning or operating utility systems consisting of public utilities as that term is defined in Section 11-117-2 of the Illinois Municipal Code.

(16) Procurement expenditures necessary for the Department of Public Health to provide the delivery of timely newborn screening services in accordance with the Newborn Metabolic Screening Act.

(17) (46) Procurement expenditures necessary for the Department of Agriculture, the Department of Financial and Professional Regulation, the Department of Human Services, and the Department of Public Health to implement the Compassionate Use of Medical Cannabis Pilot Program and Opioid Alternative Pilot Program requirements and ensure access to medical cannabis for patients with debilitating medical conditions in accordance with the Compassionate Use of Medical Cannabis Pilot Program Act.

Notwithstanding any other provision of law, for contracts entered into on or after October 1, 2017 under an exemption provided in any paragraph of this subsection (b), except paragraph (1), (2), or (5), each State agency shall post to the appropriate procurement bulletin the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. The chief procurement officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the chief procurement officer.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the process used by the Capital Development Board to retain a person or entity to assist the Capital Development Board with its duties related to the determination of costs of a clean coal SNG brownfield facility, as defined by Section 1-10 of the Illinois Power Agency Act, as required in subsection (h-3) of Section 9-220 of the Public Utilities Act, including calculating the range of capital costs, the range of operating and maintenance costs, or the sequestration costs or monitoring the construction of clean coal SNG brownfield facility for the full duration of construction.

(f) (Blank).

(g) (Blank).

(h) This Code does not apply to the process to procure or contracts entered into in accordance with Sections 11-5.2 and 11-5.3 of the Illinois Public Aid Code.

(i) Each chief procurement officer may access records necessary to review whether a contract, purchase, or other expenditure is or is not subject to the provisions of this Code, unless such records would be subject to attorney-client privilege.

(j) This Code does not apply to the process used by the Capital Development Board to retain an artist or works of art as required in Section 14 of the Capital Development Board Act.

(k) This Code does not apply to the process to procure contracts, or contracts entered into, by the State Board of Elections or the State Electoral Board for hearing officers appointed pursuant to the Election Code.

(l) This Code does not apply to the processes used by the Illinois Student Assistance Commission to procure supplies and services paid for from the private funds of the Illinois Prepaid Tuition Fund. As used in this subsection (l), "private funds" means funds derived from deposits paid into the Illinois Prepaid Tuition Trust Fund and the earnings thereon.

(Source: P.A. 99-801, eff. 1-1-17; 100-43, eff. 8-9-17; 100-580, eff. 3-12-18; 100-757, eff. 8-10-18; 100-1114, eff. 8-28-18; revised 10-18-18.)

Section 10. The Illinois Income Tax Act is amended by changing Section 201 as follows:
(35 ILCS 5/201) (from Ch. 120, par. 2-201)

[June 2, 2019]

Sec. 201. Tax imposed.

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

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

(1) In the case of an individual, trust or estate, for taxable years ending prior to

July 1, 1989, an amount equal to 2 1/2% of the taxpayer's net income for the taxable year.

(2) In the case of an individual, trust or estate, for taxable years beginning prior to

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

(3) In the case of an individual, trust or estate, for taxable years beginning after

June 30, 1989, and ending prior to January 1, 2011, an amount equal to 3% of the taxpayer's net income for the taxable year.

(4) In the case of an individual, trust, or estate, for taxable years beginning prior to

January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 3% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 5% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(5) In the case of an individual, trust, or estate, for taxable years beginning on or

after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 5% of the taxpayer's net income for the taxable year.

(5.1) In the case of an individual, trust, or estate, for taxable years beginning prior

to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 5% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 3.75% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(5.2) In the case of an individual, trust, or estate, for taxable years beginning on or

after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 3.75% of the taxpayer's net income for the taxable year.

(5.3) In the case of an individual, trust, or estate, for taxable years beginning prior

to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of (i) 3.75% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 4.95% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.

(5.4) In the case of an individual, trust, or estate, for taxable years beginning on or

after July 1, 2017, an amount equal to 4.95% of the taxpayer's net income for the taxable year.

(6) In the case of a corporation, for taxable years ending prior to July 1, 1989, an

amount equal to 4% of the taxpayer's net income for the taxable year.

(7) In the case of a corporation, for taxable years beginning prior to July 1, 1989 and

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

(8) In the case of a corporation, for taxable years beginning after June 30, 1989, and

ending prior to January 1, 2011, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

(9) In the case of a corporation, for taxable years beginning prior to January 1, 2011,

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

(10) In the case of a corporation, for taxable years beginning on or after January 1,

2011, and ending prior to January 1, 2015, an amount equal to 7% of the taxpayer's net income for the taxable year.

(11) In the case of a corporation, for taxable years beginning prior to January 1, 2015,

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

(12) In the case of a corporation, for taxable years beginning on or after January 1,

2015, and ending prior to July 1, 2017, an amount equal to 5.25% of the taxpayer's net income for the taxable year.

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

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

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

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

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

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

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

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

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code, equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) If the basis of the property for federal income tax depreciation purposes is

increased after it has been placed in service in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

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

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

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

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

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

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

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

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

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

(g) (Blank).

(h) Investment credit; High Impact Business.

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

Changes made in this subdivision (h)(1) by Public Act 88-670 restore changes made by

Public Act 85-1182 and reflect existing law.

(2) The term qualified property means property which:

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

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

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

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

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year ending on or before December 31, 1996, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) Beginning with tax years ending after December 31, 1996, if a taxpayer qualifies for the credit under this subsection (h) and thereby is granted a tax abatement and the taxpayer relocates its entire facility in violation of the explicit terms and length of the contract under Section 18-183 of the Property Tax Code, the tax imposed under subsections (a) and (b) of this Section shall be increased for the taxable year in which the taxpayer relocated its facility by an amount equal to the amount of credit received by the taxpayer under this subsection (h).

(i) Credit for Personal Property Tax Replacement Income Tax. For tax years ending prior to December 31, 2003, a credit shall be allowed against the tax imposed by subsections (a) and (b) of this Section for the tax imposed by subsections (c) and (d) of this Section. This credit shall be computed by multiplying the tax imposed by subsections (c) and (d) of this Section by a fraction, the numerator of which is base income allocable to Illinois and the denominator of which is Illinois base income, and further multiplying the product by the tax rate imposed by subsections (a) and (b) of this Section.

Any credit earned on or after December 31, 1986 under this subsection which is unused in the year the credit is computed because it exceeds the tax liability imposed by subsections (a) and (b) for that year (whether it exceeds the original liability or the liability as later amended) may be carried forward and applied to the tax liability imposed by subsections (a) and (b) of the 5 taxable years following the excess credit year, provided that no credit may be carried forward to any year ending on or after December 31, 2003. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first.

If, during any taxable year ending on or after December 31, 1986, the tax imposed by subsections (c) and (d) of this Section for which a taxpayer has claimed a credit under this subsection (i) is reduced, the amount of credit for such tax shall also be reduced. Such reduction shall be determined by recomputing the credit to take into account the reduced tax imposed by subsections (c) and (d). If any portion of the reduced amount of credit has been carried to a different taxable year, an amended return shall be filed for such taxable year to reduce the amount of credit claimed.

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by the taxpayer in Illinois or Illinois residents employed outside of Illinois by a taxpayer, for educational or vocational

training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

Any credit allowed under this subsection which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2022, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

For purposes of this subsection, "qualifying expenditures" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under Section 41 of the Internal Revenue Code and which are conducted in this State, "qualifying expenditures for increasing research activities in this State" means the excess of qualifying expenditures for the taxable year in which incurred over qualifying expenditures for the base period, "qualifying expenditures for the base period" means the average of the qualifying expenditures for each year in the base period, and "base period" means the 3 taxable years immediately preceding the taxable year for which the determination is being made.

Any credit in excess of the tax liability for the taxable year may be carried forward. A taxpayer may elect to have the unused credit shown on its final completed return carried over as a credit against the tax liability for the following 5 taxable years or until it has been fully used, whichever occurs first; provided that no credit earned in a tax year ending prior to December 31, 2003 may be carried forward to any year ending on or after December 31, 2003.

If an unused credit is carried forward to a given year from 2 or more earlier years, that credit arising in the earliest year will be applied first against the tax liability for the given year. If a tax liability for the given year still remains, the credit from the next earliest year will then be applied, and so on, until all credits have been used or no tax liability for the given year remains. Any remaining unused credit or credits then will be carried forward to the next following year in which a tax liability is incurred, except that no credit can be carried forward to a year which is more than 5 years after the year in which the expense for which the credit is given was incurred.

No inference shall be drawn from this amendatory Act of the 91st General Assembly in construing this Section for taxable years beginning before January 1, 1999.

It is the intent of the General Assembly that the research and development credit under this subsection (k) shall apply continuously for all tax years ending on or after December 31, 2004 and ending prior to January 1, 2022, including, but not limited to, the period beginning on January 1, 2016 and ending on the effective date of this amendatory Act of the 100th General Assembly. All actions taken in reliance on the continuation of the credit under this subsection (k) by any taxpayer are hereby validated.

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused

or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of \$100,000 per site, except that the \$100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed \$40,000 per year with a maximum total of \$150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(m) Education expense credit. Beginning with tax years ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed (i) \$500 for tax years ending prior to December 31, 2017, and (ii) \$750 for tax years ending on or after December 31, 2017. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2017, no taxpayer may claim a credit under this subsection (m) if the taxpayer's adjusted gross income for the taxable year exceeds (i) \$500,000, in the case of spouses filing a joint federal tax return or (ii) \$250,000, in the case of all other taxpayers. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

"Qualifying pupils" means individuals who (i) are residents of the State of Illinois, (ii) are under the age of 21 at the close of the school year for which a credit is sought, and (iii) during the school year for which a credit is sought were full-time pupils enrolled in a kindergarten through twelfth grade education program at any school, as defined in this subsection.

"Qualified education expense" means the amount incurred on behalf of a qualifying pupil in excess of \$250 for tuition, book fees, and lab fees at the school in which the pupil is enrolled during the regular school year.

"School" means any public or nonpublic elementary or secondary school in Illinois that is in compliance with Title VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section.

"Custodian" means, with respect to qualifying pupils, an Illinois resident who is a parent, the parents, a legal guardian, or the legal guardians of the qualifying pupils.

(n) River Edge Redevelopment Zone site remediation tax credit.

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14a of the Environmental Protection Act that were paid in performing environmental remediation at a site within a River Edge Redevelopment Zone for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. Determinations as to credit availability for purposes of this Section shall be made consistent with rules adopted by the Pollution Control Board pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of \$100,000 per site.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(o) For each of taxable years during the Compassionate Use of Medical Cannabis Pilot Program, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles of an organization registrant under the Compassionate Use of Medical Cannabis Pilot Program Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed does not apply if:

(1) the medical cannabis cultivation center registration, medical cannabis dispensary registration, or the property of a registration is transferred as a result of any of the following:

(A) bankruptcy, a receivership, or a debt adjustment initiated by or against the initial registration or the substantial owners of the initial registration;

(B) cancellation, revocation, or termination of any registration by the Illinois Department of Public Health;

(C) a determination by the Illinois Department of Public Health that transfer of the registration is in the best interests of Illinois qualifying patients as defined by the Compassionate Use of Medical Cannabis Pilot Program Act;

(D) the death of an owner of the equity interest in a registrant;

(E) the acquisition of a controlling interest in the stock or substantially all of the assets of a publicly traded company;

(F) a transfer by a parent company to a wholly owned subsidiary; or

(G) the transfer or sale to or by one person to another person where both persons were initial owners of the registration when the registration was issued; or

(2) the cannabis cultivation center registration, medical cannabis dispensary

registration, or the controlling interest in a registrant's property is transferred in a transaction to lineal descendants in which no gain or loss is recognized or as a result of a transaction in accordance with Section 351 of the Internal Revenue Code in which no gain or loss is recognized.
(Source: P.A. 100-22, eff. 7-6-17.)

Section 15. The Use Tax Act is amended by changing Section 3-10 as follows:
(35 ILCS 105/3-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of either the selling price or the fair market value, if any, of the tangible personal property. In all cases where property functionally used or consumed is the same as the property that was purchased at retail, then the tax is imposed on the selling price of the property. In all cases where property functionally used or consumed is a by-product or waste product that has been refined, manufactured, or produced from property purchased at retail, then the tax is imposed on the lower of the fair market value, if any, of the specific property so used in this State or on the selling price of the property purchased at retail. For purposes of this Section "fair market value" means the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. The fair market value shall be established by Illinois sales by the taxpayer of the same property as that functionally used or consumed, or if there are no such sales by the taxpayer, then comparable sales or purchases of property of like kind and character in Illinois.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

Beginning on August 6, 2010 through August 15, 2010, with respect to sales tax holiday items as defined in Section 3-6 of this Act, the tax is imposed at the rate of 1.25%.

With respect to gasohol, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or before July 1, 2017, and (iii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of gasohol is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

With respect to biodiesel blends with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel and biodiesel blends with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

With respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, the tax is imposed at the rate of 1%. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including but not limited to soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human use that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter-drug" label includes:

(A) A "Drug Facts" panel; or

(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

Beginning on the effective date of this amendatory Act of the 98th General Assembly, "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Pilot Program Act.

If the property that is purchased at retail from a retailer is acquired outside Illinois and used outside Illinois before being brought to Illinois for use here and is taxable under this Act, the "selling price" on which the tax is computed shall be reduced by an amount that represents a reasonable allowance for depreciation for the period of prior out-of-state use.

(Source: P.A. 99-143, eff. 7-27-15; 99-858, eff. 8-19-16; 100-22, eff. 7-6-17.)

Section 20. The Service Use Tax Act is amended by changing Section 3-10 as follows:
(35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of the selling price of tangible personal property transferred as an incident to the sale of service, but, for the purpose of computing this tax, in no event shall the selling price be less than the cost price of the property to the serviceman.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act applies to (i) 70% of the selling price of property transferred as an incident to the sale of service on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before July 1, 2017, and (iii) 100% of the selling price thereafter. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of the selling price thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

At the election of any registered serviceman made for each fiscal year, sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred as an incident to the sale of those services.

The tax shall be imposed at the rate of 1% on food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969. The tax shall also be imposed at the rate of 1% on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption and is not otherwise included in this paragraph) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including but not limited to soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human use that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter-drug" label includes:

(A) A "Drug Facts" panel; or

(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

Beginning on January 1, 2014 (the effective date of Public Act 98-122), "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Pilot Program Act.

If the property that is acquired from a serviceman is acquired outside Illinois and used outside Illinois before being brought to Illinois for use here and is taxable under this Act, the "selling price" on which the tax is computed shall be reduced by an amount that represents a reasonable allowance for depreciation for the period of prior out-of-state use.

(Source: P.A. 99-143, eff. 7-27-15; 99-180, eff. 7-29-15; 99-642, eff. 7-28-16; 99-858, eff. 8-19-16; 100-22, eff. 7-6-17.)

Section 25. The Service Occupation Tax Act is amended by changing Section 3-10 as follows:
(35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of the "selling price", as defined in Section 2 of the Service Use Tax Act, of the tangible personal property. For the purpose of computing this tax, in no event shall the "selling price" be less than the cost price to the serviceman of the tangible personal property transferred. The selling price of each item of tangible personal property transferred as an incident of a sale of service may be shown as a distinct and separate item on the serviceman's billing to the service customer. If the selling price is not so shown, the selling price of the tangible personal property is deemed to be 50% of the serviceman's entire billing to the service customer. When, however, a serviceman contracts to design, develop, and produce special order machinery or equipment, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred incident to the completion of the contract.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act shall apply to (i) 70% of the cost price of property transferred as an incident to the sale of service on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before July 1, 2017, and (iii) 100% of the cost price thereafter. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of the selling price thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel material, the tax imposed by this Act does not apply to the proceeds of the selling price of property transferred as an incident to the sale of service on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the selling price thereafter.

At the election of any registered serviceman made for each fiscal year, sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service, the tax imposed by this Act shall be based on the serviceman's cost price of the tangible personal property transferred incident to the sale of those services.

The tax shall be imposed at the rate of 1% on food prepared for immediate consumption and transferred incident to a sale of service subject to this Act or the Service Occupation Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969. The tax shall also be imposed at the rate of 1% on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption and is not otherwise included in this paragraph) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a

prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including but not limited to soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human use that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter-drug" label includes:

(A) A "Drug Facts" panel; or

(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

Beginning on January 1, 2014 (the effective date of Public Act 98-122), "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis Pilot Program Act.

(Source: P.A. 99-143, eff. 7-27-15; 99-180, eff. 7-29-15; 99-642, eff. 7-28-16; 99-858, eff. 8-19-16; 100-22, eff. 7-6-17.)

Section 30. The Retailers' Occupation Tax Act is amended by changing Section 2-10 as follows:
(35 ILCS 120/2-10)

Sec. 2-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of gross receipts from sales of tangible personal property made in the course of business.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

Beginning on August 6, 2010 through August 15, 2010, with respect to sales tax holiday items as defined in Section 2-8 of this Act, the tax is imposed at the rate of 1.25%.

Within 14 days after the effective date of this amendatory Act of the 91st General Assembly, each retailer of motor fuel and gasohol shall cause the following notice to be posted in a prominently visible place on each retail dispensing device that is used to dispense motor fuel or gasohol in the State of Illinois: "As of July 1, 2000, the State of Illinois has eliminated the State's share of sales tax on motor fuel and gasohol through December 31, 2000. The price on this pump should reflect the elimination of the tax." The notice shall be printed in bold print on a sign that is no smaller than 4 inches by 8 inches. The sign shall be clearly visible to customers. Any retailer who fails to post or maintain a required sign through

December 31, 2000 is guilty of a petty offense for which the fine shall be \$500 per day per each retail premises where a violation occurs.

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or before July 1, 2017, and (iii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2018 and (ii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2023 but applies to 100% of the proceeds of sales made thereafter.

With respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices, modifications to a motor vehicle for the purpose of rendering it usable by a person with a disability, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, the tax is imposed at the rate of 1%. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including but not limited to soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human use that contains a

label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter-drug" label includes:

(A) A "Drug Facts" panel; or

(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

Beginning on the effective date of this amendatory Act of the 98th General Assembly, "prescription and nonprescription medicines and drugs" includes medical cannabis purchased from a registered dispensing organization under the Compassionate Use of Medical Cannabis ~~Program Act~~.

(Source: P.A. 99-143, eff. 7-27-15; 99-858, eff. 8-19-16; 100-22, eff. 7-6-17.)

Section 35. The School Code is amended by changing Section 22-33 as follows:

(105 ILCS 5/22-33)

Sec. 22-33. Medical cannabis.

(a) This Section may be referred to as Ashley's Law.

(a-5) In this Section, "designated caregiver", "medical cannabis infused product", "qualifying patient", and "registered" have the meanings given to those terms under Section 10 of the Compassionate Use of Medical Cannabis ~~Program Act~~.

(b) Subject to the restrictions under subsections (c) through (g) of this Section, a school district, public school, charter school, or nonpublic school shall authorize a parent or guardian or any other individual registered with the Department of Public Health as a designated caregiver of a student who is a registered qualifying patient to administer a medical cannabis infused product to the student on the premises of the child's school or on the child's school bus if both the student (as a registered qualifying patient) and the parent or guardian or other individual (as a registered designated caregiver) have been issued registry identification cards under the Compassionate Use of Medical Cannabis ~~Program Act~~. After administering the product, the parent or guardian or other individual shall remove the product from the school premises or the school bus.

(c) A parent or guardian or other individual may not administer a medical cannabis infused product under this Section in a manner that, in the opinion of the school district or school, would create a disruption to the school's educational environment or would cause exposure of the product to other students.

(d) A school district or school may not discipline a student who is administered a medical cannabis infused product by a parent or guardian or other individual under this Section and may not deny the student's eligibility to attend school solely because the student requires the administration of the product.

(e) Nothing in this Section requires a member of a school's staff to administer a medical cannabis infused product to a student.

(f) A school district, public school, charter school, or nonpublic school may not authorize the use of a medical cannabis infused product under this Section if the school district or school would lose federal funding as a result of the authorization.

(g) A school district, public school, charter school, or nonpublic school shall adopt a policy to implement this Section.

(Source: P.A. 100-660, eff. 8-1-18.)

Section 40. The Medical Practice Act of 1987 is amended by changing Section 22 as follows:

(225 ILCS 60/22) (from Ch. 111, par. 4400-22)

(Section scheduled to be repealed on December 31, 2019)

Sec. 22. Disciplinary action.

(A) The Department may revoke, suspend, place on probation, reprimand, refuse to issue or renew, or take any other disciplinary or non-disciplinary action as the Department may deem proper with regard to the license or permit of any person issued under this Act, including imposing fines not to exceed \$10,000 for each violation, upon any of the following grounds:

(1) Performance of an elective abortion in any place, locale, facility, or institution other than:

(a) a facility licensed pursuant to the Ambulatory Surgical Treatment Center Act;

(b) an institution licensed under the Hospital Licensing Act;

(c) an ambulatory surgical treatment center or hospitalization or care facility maintained by the State or any agency thereof, where such department or agency has authority under law to establish and enforce standards for the ambulatory surgical treatment centers, hospitalization, or care facilities under its management and control;

(d) ambulatory surgical treatment centers, hospitalization or care facilities maintained by the Federal Government; or

- (e) ambulatory surgical treatment centers, hospitalization or care facilities maintained by any university or college established under the laws of this State and supported principally by public funds raised by taxation.
- (2) Performance of an abortion procedure in a willful and wanton manner on a woman who was not pregnant at the time the abortion procedure was performed.
- (3) A plea of guilty or nolo contendere, finding of guilt, jury verdict, or entry of judgment or sentencing, including, but not limited to, convictions, preceding sentences of supervision, conditional discharge, or first offender probation, under the laws of any jurisdiction of the United States of any crime that is a felony.
- (4) Gross negligence in practice under this Act.
- (5) Engaging in dishonorable, unethical or unprofessional conduct of a character likely to deceive, defraud or harm the public.
- (6) Obtaining any fee by fraud, deceit, or misrepresentation.
- (7) Habitual or excessive use or abuse of drugs defined in law as controlled substances, of alcohol, or of any other substances which results in the inability to practice with reasonable judgment, skill or safety.
- (8) Practicing under a false or, except as provided by law, an assumed name.
- (9) Fraud or misrepresentation in applying for, or procuring, a license under this Act or in connection with applying for renewal of a license under this Act.
- (10) Making a false or misleading statement regarding their skill or the efficacy or value of the medicine, treatment, or remedy prescribed by them at their direction in the treatment of any disease or other condition of the body or mind.
- (11) Allowing another person or organization to use their license, procured under this Act, to practice.
- (12) Adverse action taken by another state or jurisdiction against a license or other authorization to practice as a medical doctor, doctor of osteopathy, doctor of osteopathic medicine or doctor of chiropractic, a certified copy of the record of the action taken by the other state or jurisdiction being prima facie evidence thereof. This includes any adverse action taken by a State or federal agency that prohibits a medical doctor, doctor of osteopathy, doctor of osteopathic medicine, or doctor of chiropractic from providing services to the agency's participants.
- (13) Violation of any provision of this Act or of the Medical Practice Act prior to the repeal of that Act, or violation of the rules, or a final administrative action of the Secretary, after consideration of the recommendation of the Disciplinary Board.
- (14) Violation of the prohibition against fee splitting in Section 22.2 of this Act.
- (15) A finding by the Disciplinary Board that the registrant after having his or her license placed on probationary status or subjected to conditions or restrictions violated the terms of the probation or failed to comply with such terms or conditions.
- (16) Abandonment of a patient.
- (17) Prescribing, selling, administering, distributing, giving or self-administering any drug classified as a controlled substance (designated product) or narcotic for other than medically accepted therapeutic purposes.
- (18) Promotion of the sale of drugs, devices, appliances or goods provided for a patient in such manner as to exploit the patient for financial gain of the physician.
- (19) Offering, undertaking or agreeing to cure or treat disease by a secret method, procedure, treatment or medicine, or the treating, operating or prescribing for any human condition by a method, means or procedure which the licensee refuses to divulge upon demand of the Department.
- (20) Immoral conduct in the commission of any act including, but not limited to, commission of an act of sexual misconduct related to the licensee's practice.
- (21) Willfully making or filing false records or reports in his or her practice as a physician, including, but not limited to, false records to support claims against the medical assistance program of the Department of Healthcare and Family Services (formerly Department of Public Aid) under the Illinois Public Aid Code.
- (22) Willful omission to file or record, or willfully impeding the filing or recording, or inducing another person to omit to file or record, medical reports as required by law, or willfully failing to report an instance of suspected abuse or neglect as required by law.
- (23) Being named as a perpetrator in an indicated report by the Department of Children and Family Services under the Abused and Neglected Child Reporting Act, and upon proof by clear and convincing evidence that the licensee has caused a child to be an abused child or neglected child as defined in the Abused and Neglected Child Reporting Act.

(24) Solicitation of professional patronage by any corporation, agents or persons, or profiting from those representing themselves to be agents of the licensee.

(25) Gross and willful and continued overcharging for professional services, including filing false statements for collection of fees for which services are not rendered, including, but not limited to, filing such false statements for collection of monies for services not rendered from the medical assistance program of the Department of Healthcare and Family Services (formerly Department of Public Aid) under the Illinois Public Aid Code.

(26) A pattern of practice or other behavior which demonstrates incapacity or incompetence to practice under this Act.

(27) Mental illness or disability which results in the inability to practice under this Act with reasonable judgment, skill or safety.

(28) Physical illness, including, but not limited to, deterioration through the aging process, or loss of motor skill which results in a physician's inability to practice under this Act with reasonable judgment, skill or safety.

(29) Cheating on or attempt to subvert the licensing examinations administered under this Act.

(30) Willfully or negligently violating the confidentiality between physician and patient except as required by law.

(31) The use of any false, fraudulent, or deceptive statement in any document connected with practice under this Act.

(32) Aiding and abetting an individual not licensed under this Act in the practice of a profession licensed under this Act.

(33) Violating state or federal laws or regulations relating to controlled substances, legend drugs, or ephedra as defined in the Ephedra Prohibition Act.

(34) Failure to report to the Department any adverse final action taken against them by another licensing jurisdiction (any other state or any territory of the United States or any foreign state or country), by any peer review body, by any health care institution, by any professional society or association related to practice under this Act, by any governmental agency, by any law enforcement agency, or by any court for acts or conduct similar to acts or conduct which would constitute grounds for action as defined in this Section.

(35) Failure to report to the Department surrender of a license or authorization to practice as a medical doctor, a doctor of osteopathy, a doctor of osteopathic medicine, or doctor of chiropractic in another state or jurisdiction, or surrender of membership on any medical staff or in any medical or professional association or society, while under disciplinary investigation by any of those authorities or bodies, for acts or conduct similar to acts or conduct which would constitute grounds for action as defined in this Section.

(36) Failure to report to the Department any adverse judgment, settlement, or award arising from a liability claim related to acts or conduct similar to acts or conduct which would constitute grounds for action as defined in this Section.

(37) Failure to provide copies of medical records as required by law.

(38) Failure to furnish the Department, its investigators or representatives, relevant information, legally requested by the Department after consultation with the Chief Medical Coordinator or the Deputy Medical Coordinator.

(39) Violating the Health Care Worker Self-Referral Act.

(40) Willful failure to provide notice when notice is required under the Parental Notice of Abortion Act of 1995.

(41) Failure to establish and maintain records of patient care and treatment as required by this law.

(42) Entering into an excessive number of written collaborative agreements with licensed advanced practice registered nurses resulting in an inability to adequately collaborate.

(43) Repeated failure to adequately collaborate with a licensed advanced practice registered nurse.

(44) Violating the Compassionate Use of Medical Cannabis Pilot Program Act.

(45) Entering into an excessive number of written collaborative agreements with licensed prescribing psychologists resulting in an inability to adequately collaborate.

(46) Repeated failure to adequately collaborate with a licensed prescribing psychologist.

(47) Willfully failing to report an instance of suspected abuse, neglect, financial

exploitation, or self-neglect of an eligible adult as defined in and required by the Adult Protective Services Act.

(48) Being named as an abuser in a verified report by the Department on Aging under the Adult Protective Services Act, and upon proof by clear and convincing evidence that the licensee abused, neglected, or financially exploited an eligible adult as defined in the Adult Protective Services Act.

(49) Entering into an excessive number of written collaborative agreements with licensed physician assistants resulting in an inability to adequately collaborate.

(50) Repeated failure to adequately collaborate with a physician assistant.

Except for actions involving the ground numbered (26), all proceedings to suspend, revoke, place on probationary status, or take any other disciplinary action as the Department may deem proper, with regard to a license on any of the foregoing grounds, must be commenced within 5 years next after receipt by the Department of a complaint alleging the commission of or notice of the conviction order for any of the acts described herein. Except for the grounds numbered (8), (9), (26), and (29), no action shall be commenced more than 10 years after the date of the incident or act alleged to have violated this Section. For actions involving the ground numbered (26), a pattern of practice or other behavior includes all incidents alleged to be part of the pattern of practice or other behavior that occurred, or a report pursuant to Section 23 of this Act received, within the 10-year period preceding the filing of the complaint. In the event of the settlement of any claim or cause of action in favor of the claimant or the reduction to final judgment of any civil action in favor of the plaintiff, such claim, cause of action or civil action being grounded on the allegation that a person licensed under this Act was negligent in providing care, the Department shall have an additional period of 2 years from the date of notification to the Department under Section 23 of this Act of such settlement or final judgment in which to investigate and commence formal disciplinary proceedings under Section 36 of this Act, except as otherwise provided by law. The time during which the holder of the license was outside the State of Illinois shall not be included within any period of time limiting the commencement of disciplinary action by the Department.

The entry of an order or judgment by any circuit court establishing that any person holding a license under this Act is a person in need of mental treatment operates as a suspension of that license. That person may resume their practice only upon the entry of a Departmental order based upon a finding by the Disciplinary Board that they have been determined to be recovered from mental illness by the court and upon the Disciplinary Board's recommendation that they be permitted to resume their practice.

The Department may refuse to issue or take disciplinary action concerning the license of any person who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of any such tax Act are satisfied as determined by the Illinois Department of Revenue.

The Department, upon the recommendation of the Disciplinary Board, shall adopt rules which set forth standards to be used in determining:

- (a) when a person will be deemed sufficiently rehabilitated to warrant the public trust;
- (b) what constitutes dishonorable, unethical or unprofessional conduct of a character likely to deceive, defraud, or harm the public;
- (c) what constitutes immoral conduct in the commission of any act, including, but not limited to, commission of an act of sexual misconduct related to the licensee's practice; and
- (d) what constitutes gross negligence in the practice of medicine.

However, no such rule shall be admissible into evidence in any civil action except for review of a licensing or other disciplinary action under this Act.

In enforcing this Section, the Disciplinary Board or the Licensing Board, upon a showing of a possible violation, may compel, in the case of the Disciplinary Board, any individual who is licensed to practice under this Act or holds a permit to practice under this Act, or, in the case of the Licensing Board, any individual who has applied for licensure or a permit pursuant to this Act, to submit to a mental or physical examination and evaluation, or both, which may include a substance abuse or sexual offender evaluation, as required by the Licensing Board or Disciplinary Board and at the expense of the Department. The Disciplinary Board or Licensing Board shall specifically designate the examining physician licensed to practice medicine in all of its branches or, if applicable, the multidisciplinary team involved in providing the mental or physical examination and evaluation, or both. The multidisciplinary team shall be led by a physician licensed to practice medicine in all of its branches and may consist of one or more or a combination of physicians licensed to practice medicine in all of its branches, licensed chiropractic physicians, licensed clinical psychologists, licensed clinical social workers, licensed clinical professional counselors, and other professional and administrative staff. Any examining physician or member of the

multidisciplinary team may require any person ordered to submit to an examination and evaluation pursuant to this Section to submit to any additional supplemental testing deemed necessary to complete any examination or evaluation process, including, but not limited to, blood testing, urinalysis, psychological testing, or neuropsychological testing. The Disciplinary Board, the Licensing Board, or the Department may order the examining physician or any member of the multidisciplinary team to provide to the Department, the Disciplinary Board, or the Licensing Board any and all records, including business records, that relate to the examination and evaluation, including any supplemental testing performed. The Disciplinary Board, the Licensing Board, or the Department may order the examining physician or any member of the multidisciplinary team to present testimony concerning this examination and evaluation of the licensee, permit holder, or applicant, including testimony concerning any supplemental testing or documents relating to the examination and evaluation. No information, report, record, or other documents in any way related to the examination and evaluation shall be excluded by reason of any common law or statutory privilege relating to communication between the licensee, permit holder, or applicant and the examining physician or any member of the multidisciplinary team. No authorization is necessary from the licensee, permit holder, or applicant ordered to undergo an evaluation and examination for the examining physician or any member of the multidisciplinary team to provide information, reports, records, or other documents or to provide any testimony regarding the examination and evaluation. The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of the examination. Failure of any individual to submit to mental or physical examination and evaluation, or both, when directed, shall result in an automatic suspension, without hearing, until such time as the individual submits to the examination. If the Disciplinary Board or Licensing Board finds a physician unable to practice following an examination and evaluation because of the reasons set forth in this Section, the Disciplinary Board or Licensing Board shall require such physician to submit to care, counseling, or treatment by physicians, or other health care professionals, approved or designated by the Disciplinary Board, as a condition for issued, continued, reinstated, or renewed licensure to practice. Any physician, whose license was granted pursuant to Sections 9, 17, or 19 of this Act, or, continued, reinstated, renewed, disciplined or supervised, subject to such terms, conditions or restrictions who shall fail to comply with such terms, conditions or restrictions, or to complete a required program of care, counseling, or treatment, as determined by the Chief Medical Coordinator or Deputy Medical Coordinators, shall be referred to the Secretary for a determination as to whether the licensee shall have their license suspended immediately, pending a hearing by the Disciplinary Board. In instances in which the Secretary immediately suspends a license under this Section, a hearing upon such person's license must be convened by the Disciplinary Board within 15 days after such suspension and completed without appreciable delay. The Disciplinary Board shall have the authority to review the subject physician's record of treatment and counseling regarding the impairment, to the extent permitted by applicable federal statutes and regulations safeguarding the confidentiality of medical records.

An individual licensed under this Act, affected under this Section, shall be afforded an opportunity to demonstrate to the Disciplinary Board that they can resume practice in compliance with acceptable and prevailing standards under the provisions of their license.

The Department may promulgate rules for the imposition of fines in disciplinary cases, not to exceed \$10,000 for each violation of this Act. Fines may be imposed in conjunction with other forms of disciplinary action, but shall not be the exclusive disposition of any disciplinary action arising out of conduct resulting in death or injury to a patient. Any funds collected from such fines shall be deposited in the Illinois State Medical Disciplinary Fund.

All fines imposed under this Section shall be paid within 60 days after the effective date of the order imposing the fine or in accordance with the terms set forth in the order imposing the fine.

(B) The Department shall revoke the license or permit issued under this Act to practice medicine or a chiropractic physician who has been convicted a second time of committing any felony under the Illinois Controlled Substances Act or the Methamphetamine Control and Community Protection Act, or who has been convicted a second time of committing a Class 1 felony under Sections 8A-3 and 8A-6 of the Illinois Public Aid Code. A person whose license or permit is revoked under this subsection B shall be prohibited from practicing medicine or treating human ailments without the use of drugs and without operative surgery.

(C) The Department shall not revoke, suspend, place on probation, reprimand, refuse to issue or renew, or take any other disciplinary or non-disciplinary action against the license or permit issued under this Act to practice medicine to a physician:

- (1) based solely upon the recommendation of the physician to an eligible patient regarding, or prescription for, or treatment with, an investigational drug, biological product, or device; or

(2) for experimental treatment for Lyme disease or other tick-borne diseases, including, but not limited to, the prescription of or treatment with long-term antibiotics.

(D) The Disciplinary Board shall recommend to the Department civil penalties and any other appropriate discipline in disciplinary cases when the Board finds that a physician willfully performed an abortion with actual knowledge that the person upon whom the abortion has been performed is a minor or an incompetent person without notice as required under the Parental Notice of Abortion Act of 1995. Upon the Board's recommendation, the Department shall impose, for the first violation, a civil penalty of \$1,000 and for a second or subsequent violation, a civil penalty of \$5,000.

(Source: P.A. 99-270, eff. 1-1-16; 99-933, eff. 1-27-17; 100-429, eff. 8-25-17; 100-513, eff. 1-1-18; 100-605, eff. 1-1-19; 100-863, eff. 8-14-18; 100-1137, eff. 1-1-19; revised 12-19-18.)

Section 45. The Nurse Practice Act is amended by changing Section 70-5 as follows:

(225 ILCS 65/70-5) (was 225 ILCS 65/10-45)

(Section scheduled to be repealed on January 1, 2028)

Sec. 70-5. Grounds for disciplinary action.

(a) The Department may refuse to issue or to renew, or may revoke, suspend, place on probation, reprimand, or take other disciplinary or non-disciplinary action as the Department may deem appropriate, including fines not to exceed \$10,000 per violation, with regard to a license for any one or combination of the causes set forth in subsection (b) below. All fines collected under this Section shall be deposited in the Nursing Dedicated and Professional Fund.

(b) Grounds for disciplinary action include the following:

(1) Material deception in furnishing information to the Department.

(2) Material violations of any provision of this Act or violation of the rules of or final administrative action of the Secretary, after consideration of the recommendation of the Board.

(3) Conviction by plea of guilty or nolo contendere, finding of guilt, jury verdict, or entry of judgment or by sentencing of any crime, including, but not limited to, convictions, preceding sentences of supervision, conditional discharge, or first offender probation, under the laws of any jurisdiction of the United States: (i) that is a felony; or (ii) that is a misdemeanor, an essential element of which is dishonesty, or that is directly related to the practice of the profession.

(4) A pattern of practice or other behavior which demonstrates incapacity or incompetency to practice under this Act.

(5) Knowingly aiding or assisting another person in violating any provision of this Act or rules.

(6) Failing, within 90 days, to provide a response to a request for information in response to a written request made by the Department by certified or registered mail or by email to the email address of record.

(7) Engaging in dishonorable, unethical or unprofessional conduct of a character likely to deceive, defraud or harm the public, as defined by rule.

(8) Unlawful taking, theft, selling, distributing, or manufacturing of any drug, narcotic, or prescription device.

(9) Habitual or excessive use or addiction to alcohol, narcotics, stimulants, or any other chemical agent or drug that could result in a licensee's inability to practice with reasonable judgment, skill or safety.

(10) Discipline by another U.S. jurisdiction or foreign nation, if at least one of the grounds for the discipline is the same or substantially equivalent to those set forth in this Section.

(11) A finding that the licensee, after having her or his license placed on probationary status or subject to conditions or restrictions, has violated the terms of probation or failed to comply with such terms or conditions.

(12) Being named as a perpetrator in an indicated report by the Department of Children and Family Services and under the Abused and Neglected Child Reporting Act, and upon proof by clear and convincing evidence that the licensee has caused a child to be an abused child or neglected child as defined in the Abused and Neglected Child Reporting Act.

(13) Willful omission to file or record, or willfully impeding the filing or recording or inducing another person to omit to file or record medical reports as required by law.

(13.5) Willfully failing to report an instance of suspected child abuse or neglect as required by the Abused and Neglected Child Reporting Act.

(14) Gross negligence in the practice of practical, professional, or advanced practice registered nursing.

(15) Holding oneself out to be practicing nursing under any name other than one's own.

(16) Failure of a licensee to report to the Department any adverse final action taken against him or her by another licensing jurisdiction of the United States or any foreign state or country, any peer review body, any health care institution, any professional or nursing society or association, any governmental agency, any law enforcement agency, or any court or a nursing liability claim related to acts or conduct similar to acts or conduct that would constitute grounds for action as defined in this Section.

(17) Failure of a licensee to report to the Department surrender by the licensee of a license or authorization to practice nursing or advanced practice registered nursing in another state or jurisdiction or current surrender by the licensee of membership on any nursing staff or in any nursing or advanced practice registered nursing or professional association or society while under disciplinary investigation by any of those authorities or bodies for acts or conduct similar to acts or conduct that would constitute grounds for action as defined by this Section.

(18) Failing, within 60 days, to provide information in response to a written request made by the Department.

(19) Failure to establish and maintain records of patient care and treatment as required by law.

(20) Fraud, deceit or misrepresentation in applying for or procuring a license under this Act or in connection with applying for renewal of a license under this Act.

(21) Allowing another person or organization to use the licensee's license to deceive the public.

(22) Willfully making or filing false records or reports in the licensee's practice, including but not limited to false records to support claims against the medical assistance program of the Department of Healthcare and Family Services (formerly Department of Public Aid) under the Illinois Public Aid Code.

(23) Attempting to subvert or cheat on a licensing examination administered under this Act.

(24) Immoral conduct in the commission of an act, including, but not limited to, sexual abuse, sexual misconduct, or sexual exploitation, related to the licensee's practice.

(25) Willfully or negligently violating the confidentiality between nurse and patient except as required by law.

(26) Practicing under a false or assumed name, except as provided by law.

(27) The use of any false, fraudulent, or deceptive statement in any document connected with the licensee's practice.

(28) Directly or indirectly giving to or receiving from a person, firm, corporation, partnership, or association a fee, commission, rebate, or other form of compensation for professional services not actually or personally rendered. Nothing in this paragraph (28) affects any bona fide independent contractor or employment arrangements among health care professionals, health facilities, health care providers, or other entities, except as otherwise prohibited by law. Any employment arrangements may include provisions for compensation, health insurance, pension, or other employment benefits for the provision of services within the scope of the licensee's practice under this Act. Nothing in this paragraph (28) shall be construed to require an employment arrangement to receive professional fees for services rendered.

(29) A violation of the Health Care Worker Self-Referral Act.

(30) Physical illness, mental illness, or disability that results in the inability to practice the profession with reasonable judgment, skill, or safety.

(31) Exceeding the terms of a collaborative agreement or the prescriptive authority delegated to a licensee by his or her collaborating physician or podiatric physician in guidelines established under a written collaborative agreement.

(32) Making a false or misleading statement regarding a licensee's skill or the efficacy or value of the medicine, treatment, or remedy prescribed by him or her in the course of treatment.

(33) Prescribing, selling, administering, distributing, giving, or self-administering a drug classified as a controlled substance (designated product) or narcotic for other than medically accepted therapeutic purposes.

(34) Promotion of the sale of drugs, devices, appliances, or goods provided for a patient in a manner to exploit the patient for financial gain.

(35) Violating State or federal laws, rules, or regulations relating to controlled substances.

(36) Willfully or negligently violating the confidentiality between an advanced

practice registered nurse, collaborating physician, dentist, or podiatric physician and a patient, except as required by law.

(37) Willfully failing to report an instance of suspected abuse, neglect, financial exploitation, or self-neglect of an eligible adult as defined in and required by the Adult Protective Services Act.

(38) Being named as an abuser in a verified report by the Department on Aging and under the Adult Protective Services Act, and upon proof by clear and convincing evidence that the licensee abused, neglected, or financially exploited an eligible adult as defined in the Adult Protective Services Act.

(39) A violation of any provision of this Act or any rules adopted under this Act.

(40) Violating the Compassionate Use of Medical Cannabis Program Act.

(c) The determination by a circuit court that a licensee is subject to involuntary admission or judicial admission as provided in the Mental Health and Developmental Disabilities Code, as amended, operates as an automatic suspension. The suspension will end only upon a finding by a court that the patient is no longer subject to involuntary admission or judicial admission and issues an order so finding and discharging the patient; and upon the recommendation of the Board to the Secretary that the licensee be allowed to resume his or her practice.

(d) The Department may refuse to issue or may suspend or otherwise discipline the license of any person who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of the tax, penalty, or interest as required by any tax Act administered by the Department of Revenue, until such time as the requirements of any such tax Act are satisfied.

(e) In enforcing this Act, the Department, upon a showing of a possible violation, may compel an individual licensed to practice under this Act or who has applied for licensure under this Act, to submit to a mental or physical examination, or both, as required by and at the expense of the Department. The Department may order the examining physician to present testimony concerning the mental or physical examination of the licensee or applicant. No information shall be excluded by reason of any common law or statutory privilege relating to communications between the licensee or applicant and the examining physician. The examining physicians shall be specifically designated by the Department. The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of this examination. Failure of an individual to submit to a mental or physical examination, when directed, shall result in an automatic suspension without hearing.

All substance-related violations shall mandate an automatic substance abuse assessment. Failure to submit to an assessment by a licensed physician who is certified as an addictionist or an advanced practice registered nurse with specialty certification in addictions may be grounds for an automatic suspension, as defined by rule.

If the Department finds an individual unable to practice or unfit for duty because of the reasons set forth in this subsection (e), the Department may require that individual to submit to a substance abuse evaluation or treatment by individuals or programs approved or designated by the Department, as a condition, term, or restriction for continued, restored, or renewed licensure to practice; or, in lieu of evaluation or treatment, the Department may file, or the Board may recommend to the Department to file, a complaint to immediately suspend, revoke, or otherwise discipline the license of the individual. An individual whose license was granted, continued, restored, renewed, disciplined or supervised subject to such terms, conditions, or restrictions, and who fails to comply with such terms, conditions, or restrictions, shall be referred to the Secretary for a determination as to whether the individual shall have his or her license suspended immediately, pending a hearing by the Department.

In instances in which the Secretary immediately suspends a person's license under this subsection (e), a hearing on that person's license must be convened by the Department within 15 days after the suspension and completed without appreciable delay. The Department and Board shall have the authority to review the subject individual's record of treatment and counseling regarding the impairment to the extent permitted by applicable federal statutes and regulations safeguarding the confidentiality of medical records.

An individual licensed under this Act and affected under this subsection (e) shall be afforded an opportunity to demonstrate to the Department that he or she can resume practice in compliance with nursing standards under the provisions of his or her license.

(Source: P.A. 100-513, eff. 1-1-18.)

Section 50. The Physician Assistant Practice Act of 1987 is amended by changing Section 21 as follows: (225 ILCS 95/21) (from Ch. 111, par. 4621) (Section scheduled to be repealed on January 1, 2028)

[June 2, 2019]

Sec. 21. Grounds for disciplinary action.

(a) The Department may refuse to issue or to renew, or may revoke, suspend, place on probation, reprimand, or take other disciplinary or non-disciplinary action with regard to any license issued under this Act as the Department may deem proper, including the issuance of fines not to exceed \$10,000 for each violation, for any one or combination of the following causes:

- (1) Material misstatement in furnishing information to the Department.
- (2) Violations of this Act, or the rules adopted under this Act.
- (3) Conviction by plea of guilty or nolo contendere, finding of guilt, jury verdict, or entry of judgment or sentencing, including, but not limited to, convictions, preceding sentences of supervision, conditional discharge, or first offender probation, under the laws of any jurisdiction of the United States that is: (i) a felony; or (ii) a misdemeanor, an essential element of which is dishonesty, or that is directly related to the practice of the profession.
- (4) Making any misrepresentation for the purpose of obtaining licenses.
- (5) Professional incompetence.
- (6) Aiding or assisting another person in violating any provision of this Act or its rules.
- (7) Failing, within 60 days, to provide information in response to a written request made by the Department.
- (8) Engaging in dishonorable, unethical, or unprofessional conduct, as defined by rule, of a character likely to deceive, defraud, or harm the public.
- (9) Habitual or excessive use or addiction to alcohol, narcotics, stimulants, or any other chemical agent or drug that results in a physician assistant's inability to practice with reasonable judgment, skill, or safety.
- (10) Discipline by another U.S. jurisdiction or foreign nation, if at least one of the grounds for discipline is the same or substantially equivalent to those set forth in this Section.
- (11) Directly or indirectly giving to or receiving from any person, firm, corporation, partnership, or association any fee, commission, rebate or other form of compensation for any professional services not actually or personally rendered. Nothing in this paragraph (11) affects any bona fide independent contractor or employment arrangements, which may include provisions for compensation, health insurance, pension, or other employment benefits, with persons or entities authorized under this Act for the provision of services within the scope of the licensee's practice under this Act.
- (12) A finding by the Disciplinary Board that the licensee, after having his or her license placed on probationary status has violated the terms of probation.
- (13) Abandonment of a patient.
- (14) Willfully making or filing false records or reports in his or her practice, including but not limited to false records filed with state agencies or departments.
- (15) Willfully failing to report an instance of suspected child abuse or neglect as required by the Abused and Neglected Child Reporting Act.
- (16) Physical illness, or mental illness or impairment that results in the inability to practice the profession with reasonable judgment, skill, or safety, including, but not limited to, deterioration through the aging process or loss of motor skill.
- (17) Being named as a perpetrator in an indicated report by the Department of Children and Family Services under the Abused and Neglected Child Reporting Act, and upon proof by clear and convincing evidence that the licensee has caused a child to be an abused child or neglected child as defined in the Abused and Neglected Child Reporting Act.
- (18) (Blank).
- (19) Gross negligence resulting in permanent injury or death of a patient.
- (20) Employment of fraud, deception or any unlawful means in applying for or securing a license as a physician assistant.
- (21) Exceeding the authority delegated to him or her by his or her collaborating physician in a written collaborative agreement.
- (22) Immoral conduct in the commission of any act, such as sexual abuse, sexual misconduct, or sexual exploitation related to the licensee's practice.
- (23) Violation of the Health Care Worker Self-Referral Act.
- (24) Practicing under a false or assumed name, except as provided by law.
- (25) Making a false or misleading statement regarding his or her skill or the efficacy or value of the medicine, treatment, or remedy prescribed by him or her in the course of treatment.
- (26) Allowing another person to use his or her license to practice.

(27) Prescribing, selling, administering, distributing, giving, or self-administering a drug classified as a controlled substance for other than medically-accepted therapeutic purposes.

(28) Promotion of the sale of drugs, devices, appliances, or goods provided for a patient in a manner to exploit the patient for financial gain.

(29) A pattern of practice or other behavior that demonstrates incapacity or incompetence to practice under this Act.

(30) Violating State or federal laws or regulations relating to controlled substances or other legend drugs or ephedra as defined in the Ephedra Prohibition Act.

(31) Exceeding the prescriptive authority delegated by the collaborating physician or violating the written collaborative agreement delegating that authority.

(32) Practicing without providing to the Department a notice of collaboration or delegation of prescriptive authority.

(33) Failure to establish and maintain records of patient care and treatment as required by law.

(34) Attempting to subvert or cheat on the examination of the National Commission on Certification of Physician Assistants or its successor agency.

(35) Willfully or negligently violating the confidentiality between physician assistant and patient, except as required by law.

(36) Willfully failing to report an instance of suspected abuse, neglect, financial exploitation, or self-neglect of an eligible adult as defined in and required by the Adult Protective Services Act.

(37) Being named as an abuser in a verified report by the Department on Aging under the Adult Protective Services Act and upon proof by clear and convincing evidence that the licensee abused, neglected, or financially exploited an eligible adult as defined in the Adult Protective Services Act.

(38) Failure to report to the Department an adverse final action taken against him or her by another licensing jurisdiction of the United States or a foreign state or country, a peer review body, a health care institution, a professional society or association, a governmental agency, a law enforcement agency, or a court acts or conduct similar to acts or conduct that would constitute grounds for action under this Section.

(39) Failure to provide copies of records of patient care or treatment, except as required by law.

(40) Entering into an excessive number of written collaborative agreements with licensed physicians resulting in an inability to adequately collaborate.

(41) Repeated failure to adequately collaborate with a collaborating physician.

(42) Violating the Compassionate Use of Medical Cannabis Program Act.

(b) The Department may, without a hearing, refuse to issue or renew or may suspend the license of any person who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of the tax, penalty, or interest as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of any such tax Act are satisfied.

(c) The determination by a circuit court that a licensee is subject to involuntary admission or judicial admission as provided in the Mental Health and Developmental Disabilities Code operates as an automatic suspension. The suspension will end only upon a finding by a court that the patient is no longer subject to involuntary admission or judicial admission and issues an order so finding and discharging the patient, and upon the recommendation of the Disciplinary Board to the Secretary that the licensee be allowed to resume his or her practice.

(d) In enforcing this Section, the Department upon a showing of a possible violation may compel an individual licensed to practice under this Act, or who has applied for licensure under this Act, to submit to a mental or physical examination, or both, which may include a substance abuse or sexual offender evaluation, as required by and at the expense of the Department.

The Department shall specifically designate the examining physician licensed to practice medicine in all of its branches or, if applicable, the multidisciplinary team involved in providing the mental or physical examination or both. The multidisciplinary team shall be led by a physician licensed to practice medicine in all of its branches and may consist of one or more or a combination of physicians licensed to practice medicine in all of its branches, licensed clinical psychologists, licensed clinical social workers, licensed clinical professional counselors, and other professional and administrative staff. Any examining physician or member of the multidisciplinary team may require any person ordered to submit to an examination pursuant to this Section to submit to any additional supplemental testing deemed necessary to complete any examination or evaluation process, including, but not limited to, blood testing, urinalysis, psychological testing, or neuropsychological testing.

The Department may order the examining physician or any member of the multidisciplinary team to provide to the Department any and all records, including business records, that relate to the examination and evaluation, including any supplemental testing performed.

The Department may order the examining physician or any member of the multidisciplinary team to present testimony concerning the mental or physical examination of the licensee or applicant. No information, report, record, or other documents in any way related to the examination shall be excluded by reason of any common law or statutory privilege relating to communications between the licensee or applicant and the examining physician or any member of the multidisciplinary team. No authorization is necessary from the licensee or applicant ordered to undergo an examination for the examining physician or any member of the multidisciplinary team to provide information, reports, records, or other documents or to provide any testimony regarding the examination and evaluation.

The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of this examination. However, that physician shall be present only to observe and may not interfere in any way with the examination.

Failure of an individual to submit to a mental or physical examination, when ordered, shall result in an automatic suspension of his or her license until the individual submits to the examination.

If the Department finds an individual unable to practice because of the reasons set forth in this Section, the Department may require that individual to submit to care, counseling, or treatment by physicians approved or designated by the Department, as a condition, term, or restriction for continued, reinstated, or renewed licensure to practice; or, in lieu of care, counseling, or treatment, the Department may file a complaint to immediately suspend, revoke, or otherwise discipline the license of the individual. An individual whose license was granted, continued, reinstated, renewed, disciplined, or supervised subject to such terms, conditions, or restrictions, and who fails to comply with such terms, conditions, or restrictions, shall be referred to the Secretary for a determination as to whether the individual shall have his or her license suspended immediately, pending a hearing by the Department.

In instances in which the Secretary immediately suspends a person's license under this Section, a hearing on that person's license must be convened by the Department within 30 days after the suspension and completed without appreciable delay. The Department shall have the authority to review the subject individual's record of treatment and counseling regarding the impairment to the extent permitted by applicable federal statutes and regulations safeguarding the confidentiality of medical records.

An individual licensed under this Act and affected under this Section shall be afforded an opportunity to demonstrate to the Department that he or she can resume practice in compliance with acceptable and prevailing standards under the provisions of his or her license.

(e) An individual or organization acting in good faith, and not in a willful and wanton manner, in complying with this Section by providing a report or other information to the Board, by assisting in the investigation or preparation of a report or information, by participating in proceedings of the Board, or by serving as a member of the Board, shall not be subject to criminal prosecution or civil damages as a result of such actions.

(f) Members of the Board and the Disciplinary Board shall be indemnified by the State for any actions occurring within the scope of services on the Disciplinary Board or Board, done in good faith and not willful and wanton in nature. The Attorney General shall defend all such actions unless he or she determines either that there would be a conflict of interest in such representation or that the actions complained of were not in good faith or were willful and wanton.

If the Attorney General declines representation, the member has the right to employ counsel of his or her choice, whose fees shall be provided by the State, after approval by the Attorney General, unless there is a determination by a court that the member's actions were not in good faith or were willful and wanton.

The member must notify the Attorney General within 7 days after receipt of notice of the initiation of any action involving services of the Disciplinary Board. Failure to so notify the Attorney General constitutes an absolute waiver of the right to a defense and indemnification.

The Attorney General shall determine, within 7 days after receiving such notice, whether he or she will undertake to represent the member.

(Source: P.A. 100-453, eff. 8-25-17; 100-605, eff. 1-1-19.)

Section 55. The Compassionate Use of Medical Cannabis Pilot Program Act is amended by changing Sections 1, 7, 10, 25, 30, 35, 36, 40, 45, 55, 57, 60, 62, 75, 105, 115, 130, 145, 160, 195, and 200 and adding Section 173 as follows:

(410 ILCS 130/1)

(Section scheduled to be repealed on July 1, 2020)

Sec. 1. Short title. This Act may be cited as the Compassionate Use of Medical Cannabis ~~Pilot~~ Program Act.

(Source: P.A. 98-122, eff. 1-1-14.)

(410 ILCS 130/7)

(Section scheduled to be repealed on July 1, 2020)

Sec. 7. Lawful user and lawful products. For the purposes of this Act and to clarify the legislative findings on the lawful use of cannabis:

(1) A cardholder under this Act shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her qualifying patient or designated caregiver status.

(2) All medical cannabis products purchased by a qualifying patient at a licensed dispensing organization shall be lawful products and a distinction shall be made between medical and non-medical uses of cannabis as a result of the qualifying patient's cardholder status, provisional registration for qualifying patient cardholder status, or participation in the Opioid Alternative Pilot Program under the authorized use granted under State law.

(3) An individual with a provisional registration for qualifying patient cardholder status, a qualifying patient in the Compassionate Use of Medical Cannabis Program ~~medical cannabis pilot program~~, or an Opioid Alternative Pilot Program participant under Section 62 shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her application to or participation in the program.

(Source: P.A. 99-519, eff. 6-30-16; 100-1114, eff. 8-28-18.)

(410 ILCS 130/10)

(Section scheduled to be repealed on July 1, 2020)

Sec. 10. Definitions. The following terms, as used in this Act, shall have the meanings set forth in this Section:

(a) "Adequate supply" means:

(1) 2.5 ounces of usable cannabis during a period of 14 days and that is derived solely from an intrastate source.

(2) Subject to the rules of the Department of Public Health, a patient may apply for a waiver where a certifying health care professional ~~physician~~ provides a substantial medical basis in a signed, written statement asserting that, based on the patient's medical history, in the certifying health care professional's ~~physician's~~ professional judgment, 2.5 ounces is an insufficient adequate supply for a 14-day period to properly alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition.

(3) This subsection may not be construed to authorize the possession of more than 2.5 ounces at any time without authority from the Department of Public Health.

(4) The pre-mixed weight of medical cannabis used in making a cannabis infused product shall apply toward the limit on the total amount of medical cannabis a registered qualifying patient may possess at any one time.

(a-5) "Advanced practice registered nurse" means a person who is licensed under the Nurse Practice Act as an advanced practice registered nurse and has a controlled substances license under Article III of the Illinois Controlled Substances Act.

(b) "Cannabis" has the meaning given that term in Section 3 of the Cannabis Control Act.

(c) "Cannabis plant monitoring system" means a system that includes, but is not limited to, testing and data collection established and maintained by the registered cultivation center and available to the Department for the purposes of documenting each cannabis plant and for monitoring plant development throughout the life cycle of a cannabis plant cultivated for the intended use by a qualifying patient from seed planting to final packaging.

(d) "Cardholder" means a qualifying patient or a designated caregiver who has been issued and possesses a valid registry identification card by the Department of Public Health.

(d-5) "Certifying health care professional" means a physician, an advanced practice registered nurse, or a physician assistant.

(e) "Cultivation center" means a facility operated by an organization or business that is registered by the Department of Agriculture to perform necessary activities to provide only registered medical cannabis dispensing organizations with usable medical cannabis.

(f) "Cultivation center agent" means a principal officer, board member, employee, or agent of a registered cultivation center who is 21 years of age or older and has not been convicted of an excluded offense.

(g) "Cultivation center agent identification card" means a document issued by the Department of Agriculture that identifies a person as a cultivation center agent.

[June 2, 2019]

(h) "Debilitating medical condition" means one or more of the following:

(1) cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, hepatitis C, amyotrophic lateral sclerosis, Crohn's disease (including, but not limited to, ulcerative colitis), agitation of Alzheimer's disease, cachexia/wasting syndrome, muscular dystrophy, severe fibromyalgia, spinal cord disease, including but not limited to arachnoiditis, Tarlov cysts, hydromyelia, syringomyelia, Rheumatoid arthritis, fibrous dysplasia, spinal cord injury, traumatic brain injury and post-concussion syndrome, Multiple Sclerosis, Arnold-Chiari malformation and Syringomyelia, Spinocerebellar Ataxia (SCA), Parkinson's, Tourette's, Myoclonus, Dystonia, Reflex Sympathetic Dystrophy, RSD (Complex Regional Pain Syndromes Type I), Causalgia, CRPS (Complex Regional Pain Syndromes Type II), Neurofibromatosis, Chronic Inflammatory Demyelinating Polyneuropathy, Sjogren's syndrome, Lupus, Interstitial Cystitis, Myasthenia Gravis, Hydrocephalus, nail-patella syndrome, residual limb pain, seizures (including those characteristic of epilepsy), post-traumatic stress disorder (PTSD), autism, chronic pain, irritable bowel syndrome, migraines, osteoarthritis, anorexia nervosa, Ehlers-Danlos Syndrome, Neuro-Behcet's Autoimmune Disease, neuropathy, polycystic kidney disease, superior canal dehiscence syndrome, or the treatment of these conditions;

(1.5) terminal illness with a diagnosis of 6 months or less; if the terminal illness is not one of the qualifying debilitating medical conditions, then the certifying health care professional shall on the certification form identify the cause of the terminal illness; or

(2) any other debilitating medical condition or its treatment that is added by the Department of Public Health by rule as provided in Section 45.

(i) "Designated caregiver" means a person who: (1) is at least 21 years of age; (2) has agreed to assist with a patient's medical use of cannabis; (3) has not been convicted of an excluded offense; and (4) assists no more than one registered qualifying patient with his or her medical use of cannabis.

(j) "Dispensing organization agent identification card" means a document issued by the Department of Financial and Professional Regulation that identifies a person as a medical cannabis dispensing organization agent.

(k) "Enclosed, locked facility" means a room, greenhouse, building, or other enclosed area equipped with locks or other security devices that permit access only by a cultivation center's agents or a dispensing organization's agent working for the registered cultivation center or the registered dispensing organization to cultivate, store, and distribute cannabis for registered qualifying patients.

(l) "Excluded offense" for cultivation center agents and dispensing organizations means:

(1) a violent crime defined in Section 3 of the Rights of Crime Victims and Witnesses Act or a substantially similar offense that was classified as a felony in the jurisdiction where the person was convicted; or

(2) a violation of a state or federal controlled substance law, the Cannabis Control Act, or the Methamphetamine Control and Community Protection Act that was classified as a felony in the jurisdiction where the person was convicted, except that the registering Department may waive this restriction if the person demonstrates to the registering Department's satisfaction that his or her conviction was for the possession, cultivation, transfer, or delivery of a reasonable amount of cannabis intended for medical use. This exception does not apply if the conviction was under state law and involved a violation of an existing medical cannabis law.

For purposes of this subsection, the Department of Public Health shall determine by emergency rule within 30 days after the effective date of this amendatory Act of the 99th General Assembly what constitutes a "reasonable amount".

(1-5) (Blank).

(1-10) "Illinois Cannabis Tracking System" means a web-based system established and maintained by the Department of Public Health that is available to the Department of Agriculture, the Department of Financial and Professional Regulation, the Illinois State Police, and registered medical cannabis dispensing organizations on a 24-hour basis to upload written certifications for Opioid Alternative Pilot Program participants, to verify Opioid Alternative Pilot Program participants, to verify Opioid Alternative Pilot Program participants' available cannabis allotment and assigned dispensary, and the tracking of the date of sale, amount, and price of medical cannabis purchased by an Opioid Alternative Pilot Program participant.

(m) "Medical cannabis cultivation center registration" means a registration issued by the Department of Agriculture.

(n) "Medical cannabis container" means a sealed, traceable, food compliant, tamper resistant, tamper evident container, or package used for the purpose of containment of medical cannabis from a cultivation center to a dispensing organization.

(o) "Medical cannabis dispensing organization", or "dispensing organization", or "dispensary organization" means a facility operated by an organization or business that is registered by the Department of Financial and Professional Regulation to acquire medical cannabis from a registered cultivation center for the purpose of dispensing cannabis, paraphernalia, or related supplies and educational materials to registered qualifying patients, individuals with a provisional registration for qualifying patient cardholder status, or an Opioid Alternative Pilot Program participant.

(p) "Medical cannabis dispensing organization agent" or "dispensing organization agent" means a principal officer, board member, employee, or agent of a registered medical cannabis dispensing organization who is 21 years of age or older and has not been convicted of an excluded offense.

(q) "Medical cannabis infused product" means food, oils, ointments, or other products containing usable cannabis that are not smoked.

(r) "Medical use" means the acquisition; administration; delivery; possession; transfer; transportation; or use of cannabis to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition.

(r-5) "Opioid" means a narcotic drug or substance that is a Schedule II controlled substance under paragraph (1), (2), (3), or (5) of subsection (b) or under subsection (c) of Section 206 of the Illinois Controlled Substances Act.

(r-10) "Opioid Alternative Pilot Program participant" means an individual who has received a valid written certification to participate in the Opioid Alternative Pilot Program for a medical condition for which an opioid has been or could be prescribed by a certifying health care professional ~~physician~~ based on generally accepted standards of care.

(s) "Physician" means a doctor of medicine or doctor of osteopathy licensed under the Medical Practice Act of 1987 to practice medicine and who has a controlled substances license under Article III of the Illinois Controlled Substances Act. It does not include a licensed practitioner under any other Act including but not limited to the Illinois Dental Practice Act.

(s-1) "Physician assistant" means a physician assistant licensed under the Physician Assistant Practice Act of 1987 and who has a controlled substances license under Article III of the Illinois Controlled Substances Act.

(s-5) "Provisional registration" means a document issued by the Department of Public Health to a qualifying patient who has submitted: (1) an online application and paid a fee to participate in Compassionate Use of Medical Cannabis Pilot Program pending approval or denial of the patient's application; or (2) a completed application for terminal illness.

(t) "Qualifying patient" means a person who has been diagnosed by a certifying health care professional ~~physician~~ as having a debilitating medical condition.

(u) "Registered" means licensed, permitted, or otherwise certified by the Department of Agriculture, Department of Public Health, or Department of Financial and Professional Regulation.

(v) "Registry identification card" means a document issued by the Department of Public Health that identifies a person as a registered qualifying patient or registered designated caregiver.

(w) "Usable cannabis" means the seeds, leaves, buds, and flowers of the cannabis plant and any mixture or preparation thereof, but does not include the stalks, and roots of the plant. It does not include the weight of any non-cannabis ingredients combined with cannabis, such as ingredients added to prepare a topical administration, food, or drink.

(x) "Verification system" means a Web-based system established and maintained by the Department of Public Health that is available to the Department of Agriculture, the Department of Financial and Professional Regulation, law enforcement personnel, and registered medical cannabis dispensing organization agents on a 24-hour basis for the verification of registry identification cards, the tracking of delivery of medical cannabis to medical cannabis dispensing organizations, and the tracking of the date of sale, amount, and price of medical cannabis purchased by a registered qualifying patient.

(y) "Written certification" means a document dated and signed by a certifying health care professional ~~physician~~, stating (1) that the qualifying patient has a debilitating medical condition and specifying the debilitating medical condition the qualifying patient has; and (2) that (A) the certifying health care professional ~~physician~~ is treating or managing treatment of the patient's debilitating medical condition; or (B) an Opioid Alternative Pilot Program participant has a medical condition for which opioids have been or could be prescribed. A written certification shall be made only in the course of a bona fide health care professional-patient ~~physician-patient~~ relationship, after the certifying health care professional ~~physician~~ has completed an assessment of either a qualifying patient's medical history or Opioid Alternative Pilot Program participant, reviewed relevant records related to the patient's debilitating condition, and conducted a physical examination.

(z) "Bona fide health care professional-patient ~~physician-patient~~ relationship" means a relationship established at a hospital, certifying health care professional's ~~physician's~~ office, or other health care facility in which the certifying health care professional ~~physician~~ has an ongoing responsibility for the assessment, care, and treatment of a patient's debilitating medical condition or a symptom of the patient's debilitating medical condition.

A veteran who has received treatment at a VA hospital shall be deemed to have a bona fide health care professional-patient ~~physician-patient~~ relationship with a VA certifying health care professional ~~physician~~ if the patient has been seen for his or her debilitating medical condition at the VA Hospital in accordance with VA Hospital protocols.

A bona fide health care professional-patient ~~physician-patient~~ relationship under this subsection is a privileged communication within the meaning of Section 8-802 of the Code of Civil Procedure.

(Source: P.A. 99-519, eff. 6-30-16; 100-1114, eff. 8-28-18.)

(410 ILCS 130/25)

(Section scheduled to be repealed on July 1, 2020)

Sec. 25. Immunities and presumptions related to the medical use of cannabis.

(a) A registered qualifying patient is not subject to arrest, prosecution, or denial of any right or privilege, including but not limited to civil penalty or disciplinary action by an occupational or professional licensing board, for the medical use of cannabis in accordance with this Act, if the registered qualifying patient possesses an amount of cannabis that does not exceed an adequate supply as defined in subsection (a) of Section 10 of this Act of usable cannabis and, where the registered qualifying patient is a licensed professional, the use of cannabis does not impair that licensed professional when he or she is engaged in the practice of the profession for which he or she is licensed.

(b) A registered designated caregiver is not subject to arrest, prosecution, or denial of any right or privilege, including but not limited to civil penalty or disciplinary action by an occupational or professional licensing board, for acting in accordance with this Act to assist a registered qualifying patient to whom he or she is connected through the Department's registration process with the medical use of cannabis if the designated caregiver possesses an amount of cannabis that does not exceed an adequate supply as defined in subsection (a) of Section 10 of this Act of usable cannabis. The total amount possessed between the qualifying patient and caregiver shall not exceed the patient's adequate supply as defined in subsection (a) of Section 10 of this Act.

(c) A registered qualifying patient or registered designated caregiver is not subject to arrest, prosecution, or denial of any right or privilege, including but not limited to civil penalty or disciplinary action by an occupational or professional licensing board for possession of cannabis that is incidental to medical use, but is not usable cannabis as defined in this Act.

(d)(1) There is a rebuttable presumption that a registered qualifying patient is engaged in, or a designated caregiver is assisting with, the medical use of cannabis in accordance with this Act if the qualifying patient or designated caregiver:

(A) is in possession of a valid registry identification card; and

(B) is in possession of an amount of cannabis that does not exceed the amount allowed under subsection (a) of Section 10.

(2) The presumption may be rebutted by evidence that conduct related to cannabis was not for the purpose of treating or alleviating the qualifying patient's debilitating medical condition or symptoms associated with the debilitating medical condition in compliance with this Act.

(e) A certifying health care professional ~~physician~~ is not subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including but not limited to civil penalty or disciplinary action by the Medical Disciplinary Board or by any other occupational or professional licensing board, solely for providing written certifications or for otherwise stating that, in the certifying health care professional's ~~physician's~~ professional opinion, a patient is likely to receive therapeutic or palliative benefit from the medical use of cannabis to treat or alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition, provided that nothing shall prevent a professional licensing or disciplinary board from sanctioning a certifying health care professional ~~physician~~ for: (1) issuing a written certification to a patient who is not under the certifying health care professional's ~~physician's~~ care for a debilitating medical condition; or (2) failing to properly evaluate a patient's medical condition or otherwise violating the standard of care for evaluating medical conditions.

(f) No person may be subject to arrest, prosecution, or denial of any right or privilege, including but not limited to civil penalty or disciplinary action by an occupational or professional licensing board, solely for: (1) selling cannabis paraphernalia to a cardholder upon presentation of an unexpired registry identification card in the recipient's name, if employed and registered as a dispensing agent by a registered

dispensing organization; (2) being in the presence or vicinity of the medical use of cannabis as allowed under this Act; or (3) assisting a registered qualifying patient with the act of administering cannabis.

(g) A registered cultivation center is not subject to prosecution; search or inspection, except by the Department of Agriculture, Department of Public Health, or State or local law enforcement under Section 130; seizure; or penalty in any manner, or be denied any right or privilege, including but not limited to civil penalty or disciplinary action by a business licensing board or entity, for acting under this Act and Department of Agriculture rules to: acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or sell cannabis to registered dispensing organizations.

(h) A registered cultivation center agent is not subject to prosecution, search, or penalty in any manner, or be denied any right or privilege, including but not limited to civil penalty or disciplinary action by a business licensing board or entity, for working or volunteering for a registered cannabis cultivation center under this Act and Department of Agriculture rules, including to perform the actions listed under subsection (g).

(i) A registered dispensing organization is not subject to prosecution; search or inspection, except by the Department of Financial and Professional Regulation or State or local law enforcement pursuant to Section 130; seizure; or penalty in any manner, or be denied any right or privilege, including but not limited to civil penalty or disciplinary action by a business licensing board or entity, for acting under this Act and Department of Financial and Professional Regulation rules to: acquire, possess, or dispense cannabis, or related supplies, and educational materials to registered qualifying patients or registered designated caregivers on behalf of registered qualifying patients.

(j) A registered dispensing organization agent is not subject to prosecution, search, or penalty in any manner, or be denied any right or privilege, including but not limited to civil penalty or disciplinary action by a business licensing board or entity, for working or volunteering for a dispensing organization under this Act and Department of Financial and Professional Regulation rules, including to perform the actions listed under subsection (i).

(k) Any cannabis, cannabis paraphernalia, illegal property, or interest in legal property that is possessed, owned, or used in connection with the medical use of cannabis as allowed under this Act, or acts incidental to that use, may not be seized or forfeited. This Act does not prevent the seizure or forfeiture of cannabis exceeding the amounts allowed under this Act, nor shall it prevent seizure or forfeiture if the basis for the action is unrelated to the cannabis that is possessed, manufactured, transferred, or used under this Act.

(l) Mere possession of, or application for, a registry identification card or registration certificate does not constitute probable cause or reasonable suspicion, nor shall it be used as the sole basis to support the search of the person, property, or home of the person possessing or applying for the registry identification card. The possession of, or application for, a registry identification card does not preclude the existence of probable cause if probable cause exists on other grounds.

(m) Nothing in this Act shall preclude local or State law enforcement agencies from searching a registered cultivation center where there is probable cause to believe that the criminal laws of this State have been violated and the search is conducted in conformity with the Illinois Constitution, the Constitution of the United States, and all State statutes.

(n) Nothing in this Act shall preclude local or state law enforcement agencies from searching a registered dispensing organization where there is probable cause to believe that the criminal laws of this State have been violated and the search is conducted in conformity with the Illinois Constitution, the Constitution of the United States, and all State statutes.

(o) No individual employed by the State of Illinois shall be subject to criminal or civil penalties for taking any action in accordance with the provisions of this Act, when the actions are within the scope of his or her employment. Representation and indemnification of State employees shall be provided to State employees as set forth in Section 2 of the State Employee Indemnification Act.

(p) No law enforcement or correctional agency, nor any individual employed by a law enforcement or correctional agency, shall be subject to criminal or civil liability, except for willful and wanton misconduct, as a result of taking any action within the scope of the official duties of the agency or individual to prohibit or prevent the possession or use of cannabis by a cardholder incarcerated at a correctional facility, jail, or municipal lockup facility, on parole or mandatory supervised release, or otherwise under the lawful jurisdiction of the agency or individual.

(Source: P.A. 98-122, eff. 1-1-14; 99-96, eff. 7-22-15.)

(410 ILCS 130/30)

(Section scheduled to be repealed on July 1, 2020)

Sec. 30. Limitations and penalties.

(a) This Act does not permit any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for engaging in, the following conduct:

[June 2, 2019]

(1) Undertaking any task under the influence of cannabis, when doing so would constitute negligence, professional malpractice, or professional misconduct;

(2) Possessing cannabis:

(A) except as provided under Section 22-33 of the School Code, in a school bus;

(B) except as provided under Section 22-33 of the School Code, on the grounds of any preschool or primary or secondary school;

(C) in any correctional facility;

(D) in a vehicle under Section 11-502.1 of the Illinois Vehicle Code;

(E) in a vehicle not open to the public unless the medical cannabis is in a reasonably secured, sealed, ~~tamper-evident~~ container and reasonably inaccessible while the vehicle is moving; or

(F) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;

(3) Using cannabis:

(A) except as provided under Section 22-33 of the School Code, in a school bus;

(B) except as provided under Section 22-33 of the School Code, on the grounds of any preschool or primary or secondary school;

(C) in any correctional facility;

(D) in any motor vehicle;

(E) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;

(F) except as provided under Section 22-33 of the School Code, in any public place.

"Public place" as used in this subsection means any place where an individual could reasonably be expected to be observed by others. A "public place" includes all parts of buildings owned in whole or in part, or leased, by the State or a local unit of government. A "public place" does not include a private residence unless the private residence is used to provide licensed child care, foster care, or other similar social service care on the premises. For purposes of this subsection, a "public place" does not include a health care facility. For purposes of this Section, a "health care facility" includes, but is not limited to, hospitals, nursing homes, hospice care centers, and long-term care facilities;

(G) except as provided under Section 22-33 of the School Code, knowingly in close physical proximity to anyone under the age of 18 years of age;

(4) Smoking medical cannabis in any public place where an individual could reasonably be expected to be observed by others, in a health care facility, or any other place where smoking is prohibited under the Smoke Free Illinois Act;

(5) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, or motorboat while using or under the influence of cannabis in violation of Sections 11-501 and 11-502.1 of the Illinois Vehicle Code;

(6) Using or possessing cannabis if that person does not have a debilitating medical condition and is not a registered qualifying patient or caregiver;

(7) Allowing any person who is not allowed to use cannabis under this Act to use cannabis that a cardholder is allowed to possess under this Act;

(8) Transferring cannabis to any person contrary to the provisions of this Act;

(9) The use of medical cannabis by an active duty law enforcement officer, correctional officer, correctional probation officer, or firefighter; or

(10) The use of medical cannabis by a person who has a school bus permit or a Commercial Driver's License.

(b) Nothing in this Act shall be construed to prevent the arrest or prosecution of a registered qualifying patient for reckless driving or driving under the influence of cannabis where probable cause exists.

(c) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, knowingly making a misrepresentation to a law enforcement official of any fact or circumstance relating to the medical use of cannabis to avoid arrest or prosecution is a petty offense punishable by a fine of up to \$1,000, which shall be in addition to any other penalties that may apply for making a false statement or for the use of cannabis other than use undertaken under this Act.

(d) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, any person who makes a misrepresentation of a medical condition to a certifying health care professional or fraudulently provides material misinformation to a certifying health care professional ~~physician~~ in order to obtain a written certification is guilty of a petty offense punishable by a fine of up to \$1,000.

(e) Any cardholder or registered caregiver who sells cannabis shall have his or her registry identification card revoked and is subject to other penalties for the unauthorized sale of cannabis.

(f) Any registered qualifying patient who commits a violation of Section 11-502.1 of the Illinois Vehicle Code or refuses a properly requested test related to operating a motor vehicle while under the influence of cannabis shall have his or her registry identification card revoked.

(g) No registered qualifying patient or designated caregiver shall knowingly obtain, seek to obtain, or possess, individually or collectively, an amount of usable cannabis from a registered medical cannabis dispensing organization that would cause him or her to exceed the authorized adequate supply under subsection (a) of Section 10.

(h) Nothing in this Act shall prevent a private business from restricting or prohibiting the medical use of cannabis on its property.

(i) Nothing in this Act shall prevent a university, college, or other institution of post-secondary education from restricting or prohibiting the use of medical cannabis on its property.

(Source: P.A. 100-660, eff. 8-1-18.)

(410 ILCS 130/35)

(Section scheduled to be repealed on July 1, 2020)

Sec. 35. Certifying health care professional ~~Physician~~ requirements.

(a) A certifying health care professional ~~physician~~ who certifies a debilitating medical condition for a qualifying patient shall comply with all of the following requirements:

(1) The certifying health care professional ~~Physician~~ shall be currently licensed under the Medical Practice Act of 1987 to practice

medicine in all its branches, ~~the Nurse Practice Act, or the Physician Assistant Practice Act of 1987,~~ shall be and in good standing, and must hold a controlled substances license under Article III of the Illinois Controlled Substances Act.

(2) A certifying health care professional ~~physician~~ certifying a patient's condition shall comply with generally accepted standards

of medical practice, the provisions of the ~~Medical Practice Act under which he or she is licensed of~~ 1987 and all applicable rules.

(3) The physical examination required by this Act may not be performed by remote means, including telemedicine.

(4) The certifying health care professional ~~physician~~ shall maintain a record-keeping system for all patients for whom the certifying health care professional ~~physician~~ has certified the patient's medical condition. These records shall be accessible to and subject to review by the Department of Public Health and the Department of Financial and Professional Regulation upon request.

(b) A certifying health care professional ~~physician~~ may not:

(1) accept, solicit, or offer any form of remuneration from or to a qualifying patient, primary caregiver, cultivation center, or dispensing organization, including each principal officer, board member, agent, and employee, to certify a patient, other than accepting payment from a patient for the fee associated with the required examination, except for the limited purpose of performing a medical cannabis-related research study;

(1.5) accept, solicit, or offer any form of remuneration from or to a medical cannabis cultivation center or dispensary organization for the purposes of referring a patient to a specific dispensary organization;

(1.10) engage in any activity that is prohibited under Section 22.2 of the Medical Practice Act of 1987, regardless of whether the certifying health care professional is a physician, advanced practice registered nurse, or physician assistant;

(2) offer a discount of any other item of value to a qualifying patient who uses or agrees to use a particular primary caregiver or dispensing organization to obtain medical cannabis;

(3) conduct a personal physical examination of a patient for purposes of diagnosing a debilitating medical condition at a location where medical cannabis is sold or distributed or at the address of a principal officer, agent, or employee or a medical cannabis organization;

(4) hold a direct or indirect economic interest in a cultivation center or dispensing organization if he or she recommends the use of medical cannabis to qualified patients or is in a partnership or other fee or profit-sharing relationship with a certifying health care professional ~~physician~~ who recommends medical cannabis, except for the limited purpose of performing a medical cannabis related research study;

(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization;

(6) refer patients to a cultivation center, a dispensing organization, or a registered designated caregiver; or

(7) advertise in a cultivation center or a dispensing organization.

(c) The Department of Public Health may with reasonable cause refer a certifying health care professional physician, who has certified a debilitating medical condition of a patient, to the Illinois Department of Financial and Professional Regulation for potential violations of this Section.

(d) Any violation of this Section or any other provision of this Act or rules adopted under this Act is a violation of the certifying health care professional's licensure act Medical Practice Act of 1987.

(e) A certifying health care professional physician who certifies a debilitating medical condition for a qualifying patient may notify the Department of Public Health in writing: (1) if the certifying health care professional physician has reason to believe either that the registered qualifying patient has ceased to suffer from a debilitating medical condition; (2) that the bona fide health care professional-patient physician-patient relationship has terminated; or (3) that continued use of medical cannabis would result in contraindication with the patient's other medication. The registered qualifying patient's registry identification card shall be revoked by the Department of Public Health after receiving the certifying health care professional's physician's notification.

(f) Nothing in this Act shall preclude a certifying health care professional from referring a patient for health services, except when the referral is limited to certification purposes only, under this Act.

(Source: P.A. 99-519, eff. 6-30-16; 100-1114, eff. 8-28-18.)

(410 ILCS 130/36)

Sec. 36. Written certification.

(a) A certification confirming a patient's debilitating medical condition shall be written on a form provided by the Department of Public Health and shall include, at a minimum, the following:

(1) the qualifying patient's name, date of birth, home address, and primary telephone number;

(2) the certifying health care professional's physician's name, address, telephone number, email address, and medical, advance practice registered nurse, or physician assistant license number, and the last 4 digits, only, of his or her

active controlled substances license under the Illinois Controlled Substances Act and indication of specialty or primary area of clinical practice, if any;

(3) the qualifying patient's debilitating medical condition;

(4) a statement that the certifying health care professional physician has confirmed a diagnosis of a debilitating condition; is

treating or managing treatment of the patient's debilitating condition; has a bona fide health care professional-patient physician-patient relationship; has conducted an in-person physical examination; and has conducted a review of the patient's medical history, including reviewing medical records from other treating health care professionals physicians, if any, from the previous 12 months;

(5) the certifying health care professional's physician's signature and date of certification; and

(6) a statement that a participant in possession of a written certification indicating a debilitating medical condition shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her pending application to or participation in the Compassionate Use of Medical Cannabis ~~Pilot~~ Program.

(b) A written certification does not constitute a prescription for medical cannabis.

(c) Applications for qualifying patients under 18 years old shall require a written certification from a certifying health care professional physician and a reviewing certifying health care professional physician.

(d) A certification confirming the patient's eligibility to participate in the Opioid Alternative Pilot Program shall be written on a form provided by the Department of Public Health and shall include, at a minimum, the following:

(1) the participant's name, date of birth, home address, and primary telephone number;

(2) the certifying health care professional's physician's name, address, telephone number, email address, and medical, advance practice registered nurse, or physician assistant license number, and the last 4 digits, only, of his or her

active controlled substances license under the Illinois Controlled Substances Act and indication of specialty or primary area of clinical practice, if any;

(3) the certifying health care professional's physician's signature and date;

(4) the length of participation in the program, which shall be limited to no more than 90 days;

(5) a statement identifying the patient has been diagnosed with and is currently undergoing treatment for a medical condition where an opioid has been or could be prescribed; and

(6) a statement that a participant in possession of a written certification indicating eligibility to participate in the Opioid Alternative Pilot Program shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her eligibility or participation in the program.

(e) The Department of Public Health may provide a single certification form for subsections (a) and (d) of this Section, provided that all requirements of those subsections are included on the form.

(f) The Department of Public Health shall not include the word "cannabis" on any application forms or written certification forms that it issues under this Section.

(g) A written certification does not constitute a prescription.

(h) It is unlawful for any person to knowingly submit a fraudulent certification to be a qualifying patient in the Compassionate Use of Medical Cannabis Pilot Program or an Opioid Alternative Pilot Program participant. A violation of this subsection shall result in the person who has knowingly submitted the fraudulent certification being permanently banned from participating in the Compassionate Use of Medical Cannabis Pilot Program or the Opioid Alternative Pilot Program.

(Source: P.A. 100-1114, eff. 8-28-18.)

(410 ILCS 130/40)

(Section scheduled to be repealed on July 1, 2020)

Sec. 40. Discrimination prohibited.

(a)(1) No school, employer, or landlord may refuse to enroll or lease to, or otherwise penalize, a person solely for his or her status as a registered qualifying patient or a registered designated caregiver, unless failing to do so would put the school, employer, or landlord in violation of federal law or unless failing to do so would cause it to lose a monetary or licensing-related benefit under federal law or rules. This does not prevent a landlord from prohibiting the smoking of cannabis on the premises.

(2) For the purposes of medical care, including organ transplants, a registered qualifying patient's authorized use of cannabis in accordance with this Act is considered the equivalent of the authorized use of any other medication used at the direction of a certifying health care professional ~~physician~~, and may not constitute the use of an illicit substance or otherwise disqualify a qualifying patient from needed medical care.

(b) A person otherwise entitled to custody of or visitation or parenting time with a minor may not be denied that right, and there is no presumption of neglect or child endangerment, for conduct allowed under this Act, unless the person's actions in relation to cannabis were such that they created an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

(c) No school, landlord, or employer may be penalized or denied any benefit under State law for enrolling, leasing to, or employing a cardholder.

(d) Nothing in this Act may be construed to require a government medical assistance program, employer, property and casualty insurer, or private health insurer to reimburse a person for costs associated with the medical use of cannabis.

(e) Nothing in this Act may be construed to require any person or establishment in lawful possession of property to allow a guest, client, customer, or visitor who is a registered qualifying patient to use cannabis on or in that property.

(Source: P.A. 98-122, eff. 1-1-14; 99-31, eff. 1-1-16.)

(410 ILCS 130/45)

(Section scheduled to be repealed on July 1, 2020)

Sec. 45. Addition of debilitating medical conditions.

(a) Any resident may petition the Department of Public Health to add debilitating conditions or treatments to the list of debilitating medical conditions listed in subsection (h) of Section 10. The Department shall approve or deny a petition within 180 days of its submission, and, upon approval, shall proceed to add that condition by rule in accordance with the Illinois Administrative Procedure Act. The approval or denial of any petition is a final decision of the Department, subject to judicial review. Jurisdiction and venue are vested in the Circuit Court.

(b) The Department shall accept petitions once annually for a one-month period determined by the Department. During the open period, the Department shall accept petitions from any resident requesting the addition of a new debilitating medical condition or disease to the list of approved debilitating medical conditions for which the use of cannabis has been shown to have a therapeutic or palliative effect. The Department shall provide public notice 30 days before the open period for accepting petitions, which shall describe the time period for submission, the required format of the submission, and the submission address.

(c) Each petition shall be limited to one proposed debilitating medical condition or disease.

(d) A petitioner shall file one original petition in the format provided by the Department and in the manner specified by the Department. For a petition to be processed and reviewed, the following information shall be included:

(1) The petition, prepared on forms provided by the Department, in the manner specified by the Department.

(2) A specific description of the medical condition or disease that is the subject of the petition. Each petition shall be limited to a single condition or disease. Information about the proposed condition or disease shall include:

(A) the extent to which the condition or disease itself or the treatments cause severe suffering, such as severe or chronic pain, severe nausea or vomiting, or otherwise severely impair a person's ability to conduct activities of daily living;

(B) information about why conventional medical therapies are not sufficient to alleviate the suffering caused by the disease or condition and its treatment;

(C) the proposed benefits from the medical use of cannabis specific to the medical condition or disease;

(D) evidence from the medical community and other experts supporting the use of medical cannabis to alleviate suffering caused by the condition, disease, or treatment;

(E) letters of support from physicians or other licensed health care providers knowledgeable about the condition or disease, including, if feasible, a letter from a physician, advanced practice registered nurse, or physician assistant with whom the petitioner has a bona fide health care professional-patient ~~physician-patient~~ relationship;

(F) any additional medical, testimonial, or scientific documentation; and

(G) an electronic copy of all materials submitted.

(3) Upon receipt of a petition, the Department shall:

(A) determine whether the petition meets the standards for submission and, if so, shall accept the petition for further review; or

(B) determine whether the petition does not meet the standards for submission and, if so, shall deny the petition without further review.

(4) If the petition does not fulfill the standards for submission, the petition shall be considered deficient. The Department shall notify the petitioner, who may correct any deficiencies and resubmit the petition during the next open period.

(e) The petitioner may withdraw his or her petition by submitting a written statement to the Department indicating withdrawal.

(f) Upon review of accepted petitions, the Director shall render a final decision regarding the acceptance or denial of the proposed debilitating medical conditions or diseases.

(g) The Department shall convene a Medical Cannabis Advisory Board (Advisory Board) composed of 16 members, which shall include:

(1) one medical cannabis patient advocate or designated caregiver;

(2) one parent or designated caregiver of a person under the age of 18 who is a qualified medical cannabis patient;

(3) two registered nurses or nurse practitioners;

(4) three registered qualifying patients, including one veteran; and

(5) nine health care practitioners with current professional licensure in their

field. The Advisory Board shall be composed of health care practitioners representing the following areas:

(A) neurology;

(B) pain management;

(C) medical oncology;

(D) psychiatry or mental health;

(E) infectious disease;

(F) family medicine;

(G) general primary care;

(H) medical ethics;

(I) pharmacy;

(J) pediatrics; or

(K) psychiatry or mental health for children or adolescents.

At least one appointed health care practitioner shall have direct experience related to the health care needs of veterans and at least one individual shall have pediatric experience.

(h) Members of the Advisory Board shall be appointed by the Governor.

(1) Members shall serve a term of 4 years or until a successor is appointed and qualified. If a vacancy occurs, the Governor shall appoint a replacement to complete the original term created by the vacancy.

(2) The Governor shall select a chairperson.

(3) Members may serve multiple terms.

(4) Members shall not have an affiliation with, serve on the board of, or have a business relationship with a registered cultivation center or a registered medical cannabis dispensary.

(5) Members shall disclose any real or apparent conflicts of interest that may have a direct bearing of the subject matter, such as relationships with pharmaceutical companies, biomedical device manufacturers, or corporations whose products or services are related to the medical condition or disease to be reviewed.

(6) Members shall not be paid but shall be reimbursed for travel expenses incurred while fulfilling the responsibilities of the Advisory Board.

(i) On June 30, 2016 (the effective date of Public Act 99-519), the terms of office of the members of the Advisory Board serving on that date shall terminate and the Board shall be reconstituted.

(j) The Advisory Board shall convene at the call of the Chair:

(1) to examine debilitating conditions or diseases that would benefit from the medical use of cannabis; and

(2) to review new medical and scientific evidence pertaining to currently approved conditions.

(k) The Advisory Board shall issue an annual report of its activities each year.

(l) The Advisory Board shall receive administrative support from the Department.

(Source: P.A. 99-519, eff. 6-30-16; 99-642, eff. 7-28-16; 100-201, eff. 8-18-17.)

(410 ILCS 130/55)

(Section scheduled to be repealed on July 1, 2020)

Sec. 55. Registration of qualifying patients and designated caregivers.

(a) The Department of Public Health shall issue registry identification cards to qualifying patients and designated caregivers who submit a completed application, and at minimum, the following, in accordance with Department of Public Health rules:

(1) A written certification, on a form developed by the Department of Public Health consistent with Section 36 and issued by a certifying health care professional physician, within 90 days immediately preceding the date of an application and submitted by the qualifying patient or his or her designated caregiver;

(2) upon the execution of applicable privacy waivers, the patient's medical documentation related to his or her debilitating condition and any other information that may be reasonably required by the Department of Public Health to confirm that the certifying health care professional physician and patient have a bona fide health care professional-patient physician-patient relationship, that the qualifying patient is in the certifying health care professional's physician's care for his or her debilitating medical condition, and to substantiate the patient's diagnosis;

(3) the application or renewal fee as set by rule;

(4) the name, address, date of birth, and social security number of the qualifying patient, except that if the applicant is homeless no address is required;

(5) the name, address, and telephone number of the qualifying patient's certifying health care professional physician;

(6) the name, address, and date of birth of the designated caregiver, if any, chosen by the qualifying patient;

(7) the name of the registered medical cannabis dispensing organization the qualifying patient designates;

(8) signed statements from the patient and designated caregiver asserting that they will not divert medical cannabis; and

(9) (blank).

(b) Notwithstanding any other provision of this Act, a person provided a written certification for a debilitating medical condition who has submitted a completed online application to the Department of Public Health shall receive a provisional registration and be entitled to purchase medical cannabis from a specified licensed dispensing organization for a period of 90 days or until his or her application has been denied or he or she receives a registry identification card, whichever is earlier. However, a person may obtain an additional provisional registration after the expiration of 90 days after the date of application if the Department of Public Health does not provide the individual with a registry identification card or deny the individual's application within those 90 days.

The provisional registration may not be extended if the individual does not respond to the Department of Public Health's request for additional information or corrections to required application documentation.

In order for a person to receive medical cannabis under this subsection, a person must present his or her provisional registration along with a valid driver's license or State identification card to the licensed dispensing organization specified in his or her application. The dispensing organization shall verify the person's provisional registration through the Department of Public Health's online verification system.

Upon verification of the provided documents, the dispensing organization shall dispense no more than 2.5 ounces of medical cannabis during a 14-day period to the person for a period of 90 days, until his or her application has been denied, or until he or she receives a registry identification card from the Department of Public Health, whichever is earlier.

Persons with provisional registrations must keep their provisional registration in his or her possession at all times when transporting or engaging in the medical use of cannabis.

(c) No person or business shall charge a fee for assistance in the preparation, compilation, or submission of an application to the Compassionate Use of Medical Cannabis ~~Pilot~~ Program or the Opioid Alternative Pilot Program. A violation of this subsection is a Class C misdemeanor, for which restitution to the applicant and a fine of up to \$1,500 may be imposed. All fines shall be deposited into the Compassionate Use of Medical Cannabis Fund after restitution has been made to the applicant. The Department of Public Health shall refer individuals making complaints against a person or business under this Section to the Illinois State Police, who shall enforce violations of this provision. All application forms issued by the Department shall state that no person or business may charge a fee for assistance in the preparation, compilation, or submission of an application to the Compassionate Use of Medical Cannabis ~~Pilot~~ Program or the Opioid Alternative Pilot Program.

(Source: P.A. 100-1114, eff. 8-28-18.)

(410 ILCS 130/57)

(Section scheduled to be repealed on July 1, 2020)

Sec. 57. Qualifying patients ~~under 18~~.

(a) Qualifying patients that are under the age of 18 years shall not be prohibited from appointing up to 3 having 2 designated caregivers as follows: if both biological parents or 2 legal guardians of a qualifying patient under 18 both have significant decision-making responsibilities over the qualifying patient, then both may serve as a designated caregiver if they otherwise meet the definition of "designated caregiver" under Section 10; however, if only one biological parent or legal guardian has significant decision-making responsibilities for the qualifying patient under 18, then he or she may appoint a second designated caregivers caregiver who meet meets the definition of "designated caregiver" under Section 10 so long as at least one designated caregiver is a biological parent or legal guardian.

(b) Qualifying patients that are 18 years of age or older shall not be prohibited from appointing up to 3 designated caregivers who meet the definition of "designated caregiver" under Section 10.

(Source: P.A. 99-519, eff. 6-30-16.)

(410 ILCS 130/60)

(Section scheduled to be repealed on July 1, 2020)

Sec. 60. Issuance of registry identification cards.

(a) Except as provided in subsection (b), the Department of Public Health shall:

(1) verify the information contained in an application or renewal for a registry identification card submitted under this Act, and approve or deny an application or renewal, within 90 days of receiving a completed application or renewal application and all supporting documentation specified in Section 55;

(2) issue registry identification cards to a qualifying patient and his or her designated caregiver, if any, within 15 business days of approving the application or renewal;

(3) enter the registry identification number of the registered dispensing organization the patient designates into the verification system; and

(4) allow for an electronic application process, and provide a confirmation by electronic or other methods that an application has been submitted.

Notwithstanding any other provision of this Act, the Department of Public Health shall adopt rules for qualifying patients and applicants with life-long debilitating medical conditions, who may be charged annual renewal fees. The Department of Public Health shall not require patients and applicants with life-long debilitating medical conditions to apply to renew registry identification cards.

(b) The Department of Public Health may not issue a registry identification card to a qualifying patient who is under 18 years of age, unless that patient suffers from seizures, including those characteristic of epilepsy, or as provided by administrative rule. The Department of Public Health shall adopt rules for the issuance of a registry identification card for qualifying patients who are under 18 years of age and suffering from seizures, including those characteristic of epilepsy. The Department of Public Health may adopt rules to allow other individuals under 18 years of age to become registered qualifying patients under this Act

with the consent of a parent or legal guardian. Registered qualifying patients under ~~21~~ 18 years of age shall be prohibited from consuming forms of cannabis other than medical cannabis infused products and purchasing any usable cannabis or paraphernalia used for smoking or vaping medical cannabis.

(c) A veteran who has received treatment at a VA hospital is deemed to have a bona fide health care professional-patient ~~physician-patient~~ relationship with a VA certifying health care professional ~~physician~~ if the patient has been seen for his or her debilitating medical condition at the VA hospital in accordance with VA hospital protocols. All reasonable inferences regarding the existence of a bona fide health care professional-patient ~~physician-patient~~ relationship shall be drawn in favor of an applicant who is a veteran and has undergone treatment at a VA hospital.

(c-10) An individual who submits an application as someone who is terminally ill shall have all fees waived. The Department of Public Health shall within 30 days after this amendatory Act of the 99th General Assembly adopt emergency rules to expedite approval for terminally ill individuals. These rules shall include, but not be limited to, rules that provide that applications by individuals with terminal illnesses shall be approved or denied within 14 days of their submission.

(d) Upon the approval of the registration and issuance of a registry card under this Section, the Department of Public Health shall forward the designated caregiver or registered qualified patient's driver's registration number to the Secretary of State and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of law enforcement, the Secretary of State shall make a notation on the person's driving record stating the person is a registered qualifying patient who is entitled to the lawful medical use of cannabis. If the person no longer holds a valid registry card, the Department shall notify the Secretary of State and the Secretary of State shall remove the notation from the person's driving record. The Department and the Secretary of State may establish a system by which the information may be shared electronically.

(e) Upon the approval of the registration and issuance of a registry card under this Section, the Department of Public Health shall electronically forward the registered qualifying patient's identification card information to the Prescription Monitoring Program established under the Illinois Controlled Substances Act and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of patient care, the Prescription Monitoring Program shall make a notation on the person's prescription record stating that the person is a registered qualifying patient who is entitled to the lawful medical use of cannabis. If the person no longer holds a valid registry card, the Department of Public Health shall notify the Prescription Monitoring Program and Department of Human Services to remove the notation from the person's record. The Department of Human Services and the Prescription Monitoring Program shall establish a system by which the information may be shared electronically. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.

(f) (Blank).

(Source: P.A. 99-519, eff. 6-30-16; 100-1114, eff. 8-28-18.)

(410 ILCS 130/62)

Sec. 62. Opioid Alternative Pilot Program.

(a) The Department of Public Health shall establish the Opioid Alternative Pilot Program. Licensed dispensing organizations shall allow persons with a written certification from a certifying health care professional ~~licensed physician~~ under Section 36 to purchase medical cannabis upon enrollment in the Opioid Alternative Pilot Program. The Department of Public Health shall adopt rules or establish procedures allowing qualified veterans to participate in the Opioid Alternative Pilot Program. For a person to receive medical cannabis under this Section, the person must present the written certification along with a valid driver's license or state identification card to the licensed dispensing organization specified in his or her application. The dispensing organization shall verify the person's status as an Opioid Alternative Pilot Program participant through the Department of Public Health's online verification system.

(b) The Opioid Alternative Pilot Program shall be limited to participation by Illinois residents age 21 and older.

(c) The Department of Financial and Professional Regulation shall specify that all licensed dispensing organizations participating in the Opioid Alternative Pilot Program use the Illinois Cannabis Tracking System. The Department of Public Health shall establish and maintain the Illinois Cannabis Tracking System. The Illinois Cannabis Tracking System shall be used to collect information about all persons participating in the Opioid Alternative Pilot Program and shall be used to track the sale of medical cannabis for verification purposes.

Each dispensing organization shall retain a copy of the Opioid Alternative Pilot Program certification and other identifying information as required by the Department of Financial and Professional Regulation, the Department of Public Health, and the Illinois State Police in the Illinois Cannabis Tracking System.

[June 2, 2019]

The Illinois Cannabis Tracking System shall be accessible to the Department of Financial and Professional Regulation, Department of Public Health, Department of Agriculture, and the Illinois State Police.

The Department of Financial and Professional Regulation in collaboration with the Department of Public Health shall specify the data requirements for the Opioid Alternative Pilot Program by licensed dispensing organizations; including, but not limited to, the participant's full legal name, address, and date of birth, date on which the Opioid Alternative Pilot Program certification was issued, length of the participation in the Program, including the start and end date to purchase medical cannabis, name of the issuing physician, copy of the participant's current driver's license or State identification card, and phone number.

The Illinois Cannabis Tracking System shall provide verification of a person's participation in the Opioid Alternative Pilot Program for law enforcement at any time and on any day.

(d) The certification for Opioid Alternative Pilot Program participant must be issued by a certifying health care professional who is a physician licensed to practice in Illinois under the Medical Practice Act of 1987, the Nurse Practice Act, or the Physician Assistant Practice Act of 1987 and who is in good standing and who holds a controlled substances license under Article III of the Illinois Controlled Substances Act.

The certification for an Opioid Alternative Pilot Program participant shall be written within 90 days before the participant submits his or her certification to the dispensing organization.

The written certification uploaded to the Illinois Cannabis Tracking System shall be accessible to the Department of Public Health.

(e) Upon verification of the individual's valid certification and enrollment in the Illinois Cannabis Tracking System, the dispensing organization may dispense the medical cannabis, in amounts not exceeding 2.5 ounces of medical cannabis per 14-day period to the participant at the participant's specified dispensary for no more than 90 days.

An Opioid Alternative Pilot Program participant shall not be registered as a medical cannabis cardholder. The dispensing organization shall verify that the person is not an active registered qualifying patient prior to enrollment in the Opioid Alternative Pilot Program and each time medical cannabis is dispensed.

Upon receipt of a written certification under the Opioid Alternative Pilot Program, the Department of Public Health shall electronically forward the patient's identification information to the Prescription Monitoring Program established under the Illinois Controlled Substances Act and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of patient care, the Prescription Monitoring Program shall make a notation on the person's prescription record stating that the person has a written certification under the Opioid Alternative Pilot Program and is a patient who is entitled to the lawful medical use of cannabis. If the person is no longer authorized to engage in the medical use of cannabis, the Department of Public Health shall notify the Prescription Monitoring Program and Department of Human Services to remove the notation from the person's record. The Department of Human Services and the Prescription Monitoring Program shall establish a system by which the information may be shared electronically. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.

(f) An Opioid Alternative Pilot Program participant shall not be considered a qualifying patient with a debilitating medical condition under this Act and shall be provided access to medical cannabis solely for the duration of the participant's certification. Nothing in this Section shall be construed to limit or prohibit an Opioid Alternative Pilot Program participant who has a debilitating medical condition from applying to the Compassionate Use of Medical Cannabis Pilot Program.

(g) A person with a provisional registration under Section 55 shall not be considered an Opioid Alternative Pilot Program participant.

(h) The Department of Financial and Professional Regulation and the Department of Public Health shall submit emergency rulemaking to implement the changes made by this amendatory Act of the 100th General Assembly by December 1, 2018. The Department of Financial and Professional Regulation, the Department of Agriculture, the Department of Human Services, the Department of Public Health, and the Illinois State Police shall utilize emergency purchase authority for 12 months after the effective date of this amendatory Act of the 100th General Assembly for the purpose of implementing the changes made by this amendatory Act of the 100th General Assembly.

(i) Dispensing organizations are not authorized to dispense medical cannabis to Opioid Alternative Pilot Program participants until administrative rules are approved by the Joint Committee on Administrative Rules and go into effect.

(j) The provisions of this Section are inoperative on and after July 1, 2020.
(Source: P.A. 100-1114, eff. 8-28-18.)

(410 ILCS 130/75)

(Section scheduled to be repealed on July 1, 2020)

Sec. 75. Notifications to Department of Public Health and responses; civil penalty.

(a) The following notifications and Department of Public Health responses are required:

(1) A registered qualifying patient shall notify the Department of Public Health of any change in his or her name or address, or if the registered qualifying patient ceases to have his or her debilitating medical condition, within 10 days of the change.

(2) A registered designated caregiver shall notify the Department of Public Health of any change in his or her name or address, or if the designated caregiver becomes aware the registered qualifying patient passed away, within 10 days of the change.

(3) Before a registered qualifying patient changes his or her designated caregiver, the qualifying patient must notify the Department of Public Health.

(4) If a cardholder loses his or her registry identification card, he or she shall notify the Department within 10 days of becoming aware the card has been lost.

(b) When a cardholder notifies the Department of Public Health of items listed in subsection (a), but remains eligible under this Act, the Department of Public Health shall issue the cardholder a new registry identification card with a new random alphanumeric identification number within 15 business days of receiving the updated information and a fee as specified in Department of Public Health rules. If the person notifying the Department of Public Health is a registered qualifying patient, the Department shall also issue his or her registered designated caregiver, if any, a new registry identification card within 15 business days of receiving the updated information.

(c) If a registered qualifying patient ceases to be a registered qualifying patient or changes his or her registered designated caregiver, the Department of Public Health shall promptly notify the designated caregiver. The registered designated caregiver's protections under this Act as to that qualifying patient shall expire 15 days after notification by the Department.

(d) A cardholder who fails to make a notification to the Department of Public Health that is required by this Section is subject to a civil infraction, punishable by a penalty of no more than \$150.

(e) A registered qualifying patient shall notify the Department of Public Health of any change to his or her designated registered dispensing organization. The Department of Public Health shall provide for immediate changes of a registered qualifying patient's designated registered dispensing organization. Registered dispensing organizations must comply with all requirements of this Act.

(f) If the registered qualifying patient's certifying certifying health care professional ~~physician~~ notifies the Department in writing that either the registered qualifying patient has ceased to suffer from a debilitating medical condition, that the bona fide health care professional-patient ~~physician-patient~~ relationship has terminated, or that continued use of medical cannabis would result in contraindication with the patient's other medication, the card shall become null and void. However, the registered qualifying patient shall have 15 days to destroy his or her remaining medical cannabis and related paraphernalia.

(Source: P.A. 99-519, eff. 6-30-16; 100-1114, eff. 8-28-18.)

(410 ILCS 130/105)

(Section scheduled to be repealed on July 1, 2020)

Sec. 105. Requirements; prohibitions; penalties for cultivation centers.

(a) The operating documents of a registered cultivation center shall include procedures for the oversight of the cultivation center, a cannabis plant monitoring system including a physical inventory recorded weekly, a cannabis container system including a physical inventory recorded weekly, accurate record keeping, and a staffing plan.

(b) A registered cultivation center shall implement a security plan reviewed by the State Police and including but not limited to: facility access controls, perimeter intrusion detection systems, personnel identification systems, 24-hour surveillance system to monitor the interior and exterior of the registered cultivation center facility and accessible to authorized law enforcement and the Department of Agriculture in real-time.

(c) A registered cultivation center may not be located within 2,500 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, part day child care facility, or an area zoned for residential use.

(d) All cultivation of cannabis for distribution to a registered dispensing organization must take place in an enclosed, locked facility as it applies to cultivation centers at the physical address provided to the Department of Agriculture during the registration process. The cultivation center location shall only be accessed by the cultivation center agents working for the registered cultivation center, Department of Agriculture staff performing inspections, Department of Public Health staff performing inspections, law

enforcement or other emergency personnel, and contractors working on jobs unrelated to medical cannabis, such as installing or maintaining security devices or performing electrical wiring.

(e) A cultivation center may not sell or distribute any cannabis to any individual or entity other than another cultivation center, a dispensing organization registered under this Act, or a laboratory licensed by the Department of Agriculture ~~a dispensary organization registered under this Act.~~

(f) All harvested cannabis intended for distribution to a dispensing organization must be packaged in a labeled medical cannabis container and entered into a data collection system.

(g) No person who has been convicted of an excluded offense may be a cultivation center agent.

(h) Registered cultivation centers are subject to random inspection by the State Police.

(i) Registered cultivation centers are subject to random inspections by the Department of Agriculture and the Department of Public Health.

(j) A cultivation center agent shall notify local law enforcement, the State Police, and the Department of Agriculture within 24 hours of the discovery of any loss or theft. Notification shall be made by phone or in-person, or by written or electronic communication.

(k) A cultivation center shall comply with all State and federal rules and regulations regarding the use of pesticides.

(Source: P.A. 98-122, eff. 1-1-14; 98-1172, eff. 1-12-15.)

(410 ILCS 130/115)

(Section scheduled to be repealed on July 1, 2020)

Sec. 115. Registration of dispensing organizations.

(a) The Department of Financial and Professional Regulation may issue up to 60 dispensing organization registrations for operation. The Department of Financial and Professional Regulation may not issue less than the 60 registrations if there are qualified applicants who have applied with the Department of Financial and Professional Regulation. The organizations shall be geographically dispersed throughout the State to allow all registered qualifying patients reasonable proximity and access to a dispensing organization.

(a-5) For any dispensing organization registered on or after July 1, 2019, the Department of Financial and Professional Regulation shall award not less than 20% of all available points to applicants that qualify as Social Equity Applicants. For purposes of this Section:

"Disproportionately Impacted Area" means a census tract or comparable geographic area that satisfies the following criteria as determined by the Department of Commerce and Economic Opportunity, that:

(1) meets at least one of the following criteria:

(A) the area has a poverty rate of at least 20% according to the latest federal decennial census; or

(B) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education; or

(C) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or

(D) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application; and

(2) has high rates of arrest, conviction, and incarceration related to sale, possession, use, cultivation, manufacture, or transport of cannabis.

"Social Equity Applicant" means an applicant that is an Illinois resident that meets one of the following criteria:

(1) an applicant with at least 51% ownership and control by one or more individuals who have resided for at least 5 of the preceding 10 years in a Disproportionately Impacted Area;

(2) an applicant with at least 51% of ownership and control by one or more individuals who have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement or member of an impacted family;

(3) for applicants with a minimum of 10 full-time employees, an applicant with at least 51% of current employees who:

(A) currently reside in a Disproportionately Impacted Area; or

(B) have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement or member of an impacted family.

(b) A dispensing organization may only operate if it has been issued a registration from the Department of Financial and Professional Regulation. The Department of Financial and Professional Regulation shall adopt rules establishing the procedures for applicants for dispensing organizations.

(c) When applying for a dispensing organization registration, the applicant shall submit, at a minimum, the following in accordance with Department of Financial and Professional Regulation rules:

- (1) a non-refundable application fee established by rule;
- (2) the proposed legal name of the dispensing organization;
- (3) the proposed physical address of the dispensing organization;
- (4) the name, address, and date of birth of each principal officer and board member of the dispensing organization, provided that all those individuals shall be at least 21 years of age;

(5) information, in writing, regarding any instances in which a business or not-for-profit that any of the prospective board members managed or served on the board was convicted, fined, censured, or had a registration suspended or revoked in any administrative or judicial proceeding;

(6) proposed operating by-laws that include procedures for the oversight of the medical cannabis dispensing organization and procedures to ensure accurate record keeping and security measures that are in accordance with the rules applied by the Department of Financial and Professional Regulation under this Act. The by-laws shall include a description of the enclosed, locked facility where medical cannabis will be stored by the dispensing organization; and

(7) signed statements from each dispensing organization agent stating that they will not divert medical cannabis.

(d) The Department of Financial and Professional Regulation shall conduct a background check of the prospective dispensing organization agents in order to carry out this Section. The Department of State Police shall charge a fee for conducting the criminal history record check, which shall be deposited in the State Police Services Fund and shall not exceed the actual cost of the record check. Each person applying as a dispensing organization agent shall submit a full set of fingerprints to the Department of State Police for the purpose of obtaining a State and federal criminal records check. These fingerprints shall be checked against the fingerprint records now and hereafter, to the extent allowed by law, filed in the Department of State Police and Federal Bureau of Investigation criminal history records databases. The Department of State Police shall furnish, following positive identification, all Illinois conviction information to the Department of Financial and Professional Regulation.

(e) A dispensing organization must pay a registration fee set by the Department of Financial and Professional Regulation.

(f) An application for a medical cannabis dispensing organization registration must be denied if any of the following conditions are met:

(1) the applicant failed to submit the materials required by this Section, including if the applicant's plans do not satisfy the security, oversight, or recordkeeping rules issued by the Department of Financial and Professional Regulation;

(2) the applicant would not be in compliance with local zoning rules issued in accordance with Section 140;

(3) the applicant does not meet the requirements of Section 130;

(4) one or more of the prospective principal officers or board members has been convicted of an excluded offense;

(5) one or more of the prospective principal officers or board members has served as a principal officer or board member for a registered medical cannabis dispensing organization that has had its registration revoked; and

(6) one or more of the principal officers or board members is under 21 years of age; ~~and~~

~~(7) one or more of the principal officers or board members is a registered qualified patient or a registered caregiver.~~

(Source: P.A. 98-122, eff. 1-1-14; 98-1172, eff. 1-12-15.)

(410 ILCS 130/130)

(Section scheduled to be repealed on July 1, 2020)

Sec. 130. Requirements; prohibitions; penalties; dispensing organizations.

(a) The Department of Financial and Professional Regulation shall implement the provisions of this Section by rule.

(b) A dispensing organization shall maintain operating documents which shall include procedures for the oversight of the registered dispensing organization and procedures to ensure accurate recordkeeping.

(c) A dispensing organization shall implement appropriate security measures, as provided by rule, to deter and prevent the theft of cannabis and unauthorized entrance into areas containing cannabis.

(d) A dispensing organization may not be located within 1,000 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, or part day child care facility. A registered dispensing organization may not be located in

a house, apartment, condominium, or an area zoned for residential use. This subsection shall not apply to any dispensing organizations registered on or after July 1, 2019.

(e) A dispensing organization is prohibited from acquiring cannabis from anyone other than a registered cultivation center. A dispensing organization is prohibited from obtaining cannabis from outside the State of Illinois.

(f) A registered dispensing organization is prohibited from dispensing cannabis for any purpose except to assist registered qualifying patients with the medical use of cannabis directly or through the qualifying patients' designated caregivers.

(g) The area in a dispensing organization where medical cannabis is stored can only be accessed by dispensing organization agents working for the dispensing organization, Department of Financial and Professional Regulation staff performing inspections, law enforcement or other emergency personnel, and contractors working on jobs unrelated to medical cannabis, such as installing or maintaining security devices or performing electrical wiring.

(h) A dispensing organization may not dispense more than 2.5 ounces of cannabis to a registered qualifying patient, directly or via a designated caregiver, in any 14-day period unless the qualifying patient has a Department of Public Health-approved quantity waiver. Any Department of Public Health-approved quantity waiver process must be made available to qualified veterans.

(i) Except as provided in subsection (i-5), before medical cannabis may be dispensed to a designated caregiver or a registered qualifying patient, a dispensing organization agent must determine that the individual is a current cardholder in the verification system and must verify each of the following:

(1) that the registry identification card presented to the registered dispensing organization is valid;

(2) that the person presenting the card is the person identified on the registry identification card presented to the dispensing organization agent;

(3) that the dispensing organization is the designated dispensing organization for the registered qualifying patient who is obtaining the cannabis directly or via his or her designated caregiver; and

(4) that the registered qualifying patient has not exceeded his or her adequate supply.

(i-5) A dispensing organization may dispense medical cannabis to an Opioid Alternative Pilot Program participant under Section 62 and to a person presenting proof of provisional registration under Section 55. Before dispensing medical cannabis, the dispensing organization shall comply with the requirements of Section 62 or Section 55, whichever is applicable, and verify the following:

(1) that the written certification presented to the registered dispensing organization is valid and an original document;

(2) that the person presenting the written certification is the person identified on the written certification; and

(3) that the participant has not exceeded his or her adequate supply.

(j) Dispensing organizations shall ensure compliance with this limitation by maintaining internal, confidential records that include records specifying how much medical cannabis is dispensed to the registered qualifying patient and whether it was dispensed directly to the registered qualifying patient or to the designated caregiver. Each entry must include the date and time the cannabis was dispensed. Additional recordkeeping requirements may be set by rule.

(k) The health care professional-patient ~~physician-patient~~ privilege as set forth by Section 8-802 of the Code of Civil Procedure shall apply between a qualifying patient and a registered dispensing organization and its agents with respect to communications and records concerning qualifying patients' debilitating conditions.

(l) A dispensing organization may not permit any person to consume cannabis on the property of a medical cannabis organization.

(m) A dispensing organization may not share office space with or refer patients to a certifying health care professional physician.

(n) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, the Department of Financial and Professional Regulation may revoke, suspend, place on probation, reprimand, refuse to issue or renew, or take any other disciplinary or non-disciplinary action as the Department of Financial and Professional Regulation may deem proper with regard to the registration of any person issued under this Act to operate a dispensing organization or act as a dispensing organization agent, including imposing fines not to exceed \$10,000 for each violation, for any violations of this Act and rules adopted in accordance with this Act. The procedures for disciplining a registered dispensing organization shall be determined by rule. All final administrative decisions of the Department of Financial and

Professional Regulation are subject to judicial review under the Administrative Review Law and its rules. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.

(o) Dispensing organizations are subject to random inspection and cannabis testing by the Department of Financial and Professional Regulation and State Police as provided by rule.

(p) The Department of Financial and Professional Regulation shall adopt rules permitting returns, and potential refunds, for damaged or inadequate products.

(q) The Department of Financial and Professional Regulation may issue nondisciplinary citations for minor violations which may be accompanied by a civil penalty not to exceed \$10,000 per violation. The penalty shall be a civil penalty or other condition as established by rule. The citation shall be issued to the licensee and shall contain the licensee's name, address, and license number, a brief factual statement, the Sections of the law or rule allegedly violated, and the civil penalty, if any, imposed. The citation must clearly state that the licensee may choose, in lieu of accepting the citation, to request a hearing. If the licensee does not dispute the matter in the citation with the Department of Financial and Professional Regulation within 30 days after the citation is served, then the citation shall become final and shall not be subject to appeal.

(Source: P.A. 100-1114, eff. 8-28-18.)

(410 ILCS 130/145)

(Section scheduled to be repealed on July 1, 2020)

Sec. 145. Confidentiality.

(a) The following information received and records kept by the Department of Public Health, Department of Financial and Professional Regulation, Department of Agriculture, or Department of State Police for purposes of administering this Act are subject to all applicable federal privacy laws, confidential, and exempt from the Freedom of Information Act, and not subject to disclosure to any individual or public or private entity, except as necessary for authorized employees of those authorized agencies to perform official duties under this Act and the following information received and records kept by Department of Public Health, Department of Agriculture, Department of Financial and Professional Regulation, and Department of State Police, excluding any existing or non-existing Illinois or national criminal history record information as defined in subsection (d), may be disclosed to each other upon request:

(1) Applications and renewals, their contents, and supporting information submitted by qualifying patients and designated caregivers, including information regarding their designated caregivers and certifying health care professionals ~~physicians~~.

(2) Applications and renewals, their contents, and supporting information submitted by or on behalf of cultivation centers and dispensing organizations in compliance with this Act, including their physical addresses.

(3) The individual names and other information identifying persons to whom the Department of Public Health has issued registry identification cards.

(4) Any dispensing information required to be kept under Section 135, Section 150, or Department of Public Health, Department of Agriculture, or Department of Financial and Professional Regulation rules shall identify cardholders and registered cultivation centers by their registry identification numbers and medical cannabis dispensing organizations by their registration number and not contain names or other personally identifying information.

(5) All medical records provided to the Department of Public Health in connection with an application for a registry card.

(b) Nothing in this Section precludes the following:

(1) Department of Agriculture, Department of Financial and Professional Regulation, or Public Health employees may notify law enforcement about falsified or fraudulent information submitted to the Departments if the employee who suspects that falsified or fraudulent information has been submitted conferred with his or her supervisor and both agree that circumstances exist that warrant reporting.

(2) If the employee conferred with his or her supervisor and both agree that circumstances exist that warrant reporting, Department of Public Health employees may notify the Department of Financial and Professional Regulation if there is reasonable cause to believe a certifying health care professional ~~physician~~:

(A) issued a written certification without a bona fide health care professional-patient ~~physician-patient~~ relationship under this Act;

(B) issued a written certification to a person who was not under the certifying health care professional's ~~physician's~~ care for the debilitating medical condition; or

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(C) failed to abide by the acceptable and prevailing standard of care when evaluating a patient's medical condition.

(3) The Department of Public Health, Department of Agriculture, and Department of Financial and Professional Regulation may notify State or local law enforcement about apparent criminal violations of this Act if the employee who suspects the offense has conferred with his or her supervisor and both agree that circumstances exist that warrant reporting.

(4) Medical cannabis cultivation center agents and medical cannabis dispensing organizations may notify the Department of Public Health, Department of Financial and Professional Regulation, or Department of Agriculture of a suspected violation or attempted violation of this Act or the rules issued under it.

(5) Each Department may verify registry identification cards under Section 150.

(6) The submission of the report to the General Assembly under Section 160.

(c) It is a Class B misdemeanor with a \$1,000 fine for any person, including an employee or official of the Department of Public Health, Department of Financial and Professional Regulation, or Department of Agriculture or another State agency or local government, to breach the confidentiality of information obtained under this Act.

(d) The Department of Public Health, the Department of Agriculture, the Department of State Police, and the Department of Financial and Professional Regulation shall not share or disclose any existing or non-existing Illinois or national criminal history record information. For the purposes of this Section, "any existing or non-existing Illinois or national criminal history record information" means any Illinois or national criminal history record information, including but not limited to the lack of or non-existence of these records.

(Source: P.A. 98-122, eff. 1-1-14; 98-1172, eff. 1-12-15.)

(410 ILCS 130/160)

(Section scheduled to be repealed on July 1, 2020)

Sec. 160. Annual reports. The Department of Public Health shall submit to the General Assembly a report, by September 30 of each year, that does not disclose any identifying information about registered qualifying patients, registered caregivers, or certifying health care professionals ~~physicians~~, but does contain, at a minimum, all of the following information based on the fiscal year for reporting purposes:

(1) the number of applications and renewals filed for registry identification cards or registrations;

(2) the number of qualifying patients and designated caregivers served by each dispensary during the report year;

(3) the nature of the debilitating medical conditions of the qualifying patients;

(4) the number of registry identification cards or registrations revoked for misconduct;

(5) the number of certifying health care professionals ~~physicians~~ providing written certifications for qualifying patients; and

(6) the number of registered medical cannabis cultivation centers or registered dispensing organizations;

(7) the number of Opioid Alternative Pilot Program participants.

(Source: P.A. 100-863, eff. 8-14-18; 100-1114, eff. 8-28-18.)

(410 ILCS 130/173 new)

Sec. 173. Conflicts of law. To the extent that any provision of this Act conflicts with any Act that allows the recreational use of cannabis, the provisions of that Act shall control.

(410 ILCS 130/195)

(Section scheduled to be repealed on July 1, 2020)

Sec. 195. Definitions. For the purposes of this Law:

"Cultivation center" has the meaning ascribed to that term in the Compassionate Use of Medical Cannabis ~~Pilot~~ Program Act.

"Department" means the Department of Revenue.

"Dispensing organization" has the meaning ascribed to that term in the Compassionate Use of Medical Cannabis ~~Pilot~~ Program Act.

"Person" means an individual, partnership, corporation, or public or private organization.

"Qualifying patient" means a qualifying patient registered under the Compassionate Use of Medical Cannabis ~~Pilot~~ Program Act.

(Source: P.A. 98-122, eff. 1-1-14.)

(410 ILCS 130/200)

(Section scheduled to be repealed on July 1, 2020)

Sec. 200. Tax imposed.

(a) Beginning on the effective date of this Act, a tax is imposed upon the privilege of cultivating medical cannabis at a rate of 7% of the sales price per ounce. The proceeds from this tax shall be deposited into the Compassionate Use of Medical Cannabis Fund created under the Compassionate Use of Medical Cannabis Pilot Program Act. This tax shall be paid by a cultivation center and is not the responsibility of a dispensing organization or a qualifying patient.

(b) The tax imposed under this Act shall be in addition to all other occupation or privilege taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.

(Source: P.A. 98-122, eff. 1-1-14.)

(410 ILCS 130/135 rep.) (410 ILCS 130/220 rep.)

Section 60. The Compassionate Use of Medical Cannabis Pilot Program Act is amended by repealing Sections 135 and 220.

Section 65. The Illinois Vehicle Code is amended by changing Sections 2-118.2, 6-206.1, 11-501, and 11-501.9 as follows:

(625 ILCS 5/2-118.2)

Sec. 2-118.2. Opportunity for hearing; medical cannabis-related suspension under Section 11-501.9.

(a) A suspension of driving privileges under Section 11-501.9 of this Code shall not become effective until the person is notified in writing of the impending suspension and informed that he or she may request a hearing in the circuit court of venue under subsection (b) of this Section and the suspension shall become effective as provided in Section 11-501.9.

(b) Within 90 days after the notice of suspension served under Section 11-501.9, the person may make a written request for a judicial hearing in the circuit court of venue. The request to the circuit court shall state the grounds upon which the person seeks to have the suspension rescinded. Within 30 days after receipt of the written request or the first appearance date on the Uniform Traffic Ticket issued for a violation of Section 11-501 of this Code, or a similar provision of a local ordinance, the hearing shall be conducted by the circuit court having jurisdiction. This judicial hearing, request, or process shall not stay or delay the suspension. The hearing shall proceed in the court in the same manner as in other civil proceedings.

The hearing may be conducted upon a review of the law enforcement officer's own official reports; provided however, that the person may subpoena the officer. Failure of the officer to answer the subpoena shall be considered grounds for a continuance if in the court's discretion the continuance is appropriate.

The scope of the hearing shall be limited to the issues of:

(1) Whether the person was issued a registry identification card under the Compassionate Use of Medical Cannabis Pilot Program Act; and

(2) Whether the officer had reasonable suspicion to believe that the person was driving or in actual physical control of a motor vehicle upon a highway while impaired by the use of cannabis; and

(3) Whether the person, after being advised by the officer that the privilege to operate a motor vehicle would be suspended if the person refused to submit to and complete the field sobriety tests, did refuse to submit to or complete the field sobriety tests authorized under Section 11-501.9; and

(4) Whether the person after being advised by the officer that the privilege to operate a motor vehicle would be suspended if the person submitted to field sobriety tests that disclosed the person was impaired by the use of cannabis, did submit to field sobriety tests that disclosed that the person was impaired by the use of cannabis.

Upon the conclusion of the judicial hearing, the circuit court shall sustain or rescind the suspension and immediately notify the Secretary of State. Reports received by the Secretary of State under this Section shall be privileged information and for use only by the courts, police officers, and Secretary of State.

(Source: P.A. 98-1172, eff. 1-12-15.)

(625 ILCS 5/6-206.1) (from Ch. 95 1/2, par. 6-206.1)

Sec. 6-206.1. Monitoring Device Driving Permit. Declaration of Policy. It is hereby declared a policy of the State of Illinois that the driver who is impaired by alcohol, other drug or drugs, or intoxicating compound or compounds is a threat to the public safety and welfare. Therefore, to provide a deterrent to such practice, a statutory summary driver's license suspension is appropriate. It is also recognized that driving is a privilege and therefore, that the granting of driving privileges, in a manner consistent with public safety, is warranted during the period of suspension in the form of a monitoring device driving permit. A person who drives and fails to comply with the requirements of the monitoring device driving permit commits a violation of Section 6-303 of this Code.

[June 2, 2019]

The following procedures shall apply whenever a first offender, as defined in Section 11-500 of this Code, is arrested for any offense as defined in Section 11-501 or a similar provision of a local ordinance and is subject to the provisions of Section 11-501.1:

(a) Upon mailing of the notice of suspension of driving privileges as provided in subsection (h) of Section 11-501.1 of this Code, the Secretary shall also send written notice informing the person that he or she will be issued a monitoring device driving permit (MDDP). The notice shall include, at minimum, information summarizing the procedure to be followed for issuance of the MDDP, installation of the breath alcohol ignition installation device (BAIID), as provided in this Section, exemption from BAIID installation requirements, and procedures to be followed by those seeking indigent status, as provided in this Section. The notice shall also include information summarizing the procedure to be followed if the person wishes to decline issuance of the MDDP. A copy of the notice shall also be sent to the court of venue together with the notice of suspension of driving privileges, as provided in subsection (h) of Section 11-501. However, a MDDP shall not be issued if the Secretary finds that:

- (1) the offender's driver's license is otherwise invalid;
- (2) death or great bodily harm to another resulted from the arrest for Section 11-501;
- (3) the offender has been previously convicted of reckless homicide or aggravated driving under the influence involving death;
- (4) the offender is less than 18 years of age; or
- (5) the offender is a qualifying patient licensed under the Compassionate Use of Medical Cannabis ~~Plan~~ Program Act who is in possession of a valid registry card issued under that Act and refused to submit to standardized field sobriety tests as required by subsection (a) of Section 11-501.9 or did submit to testing which disclosed the person was impaired by the use of cannabis.

Any offender participating in the MDDP program must pay the Secretary a MDDP Administration Fee in an amount not to exceed \$30 per month, to be deposited into the Monitoring Device Driving Permit Administration Fee Fund. The Secretary shall establish by rule the amount and the procedures, terms, and conditions relating to these fees. The offender must have an ignition interlock device installed within 14 days of the date the Secretary issues the MDDP. The ignition interlock device provider must notify the Secretary, in a manner and form prescribed by the Secretary, of the installation. If the Secretary does not receive notice of installation, the Secretary shall cancel the MDDP.

Upon receipt of the notice, as provided in paragraph (a) of this Section, the person may file a petition to decline issuance of the MDDP with the court of venue. The court shall admonish the offender of all consequences of declining issuance of the MDDP including, but not limited to, the enhanced penalties for driving while suspended. After being so admonished, the offender shall be permitted, in writing, to execute a notice declining issuance of the MDDP. This notice shall be filed with the court and forwarded by the clerk of the court to the Secretary. The offender may, at any time thereafter, apply to the Secretary for issuance of a MDDP.

(a-1) A person issued a MDDP may drive for any purpose and at any time, subject to the rules adopted by the Secretary under subsection (g). The person must, at his or her own expense, drive only vehicles equipped with an ignition interlock device as defined in Section 1-129.1, but in no event shall such person drive a commercial motor vehicle.

(a-2) Persons who are issued a MDDP and must drive employer-owned vehicles in the course of their employment duties may seek permission to drive an employer-owned vehicle that does not have an ignition interlock device. The employer shall provide to the Secretary a form, as prescribed by the Secretary, completed by the employer verifying that the employee must drive an employer-owned vehicle in the course of employment. If approved by the Secretary, the form must be in the driver's possession while operating an employer-owner vehicle not equipped with an ignition interlock device. No person may use this exemption to drive a school bus, school vehicle, or a vehicle designed to transport more than 15 passengers. No person may use this exemption to drive an employer-owned motor vehicle that is owned by an entity that is wholly or partially owned by the person holding the MDDP, or by a family member of the person holding the MDDP. No person may use this exemption to drive an employer-owned vehicle that is made available to the employee for personal use. No person may drive the exempted vehicle more than 12 hours per day, 6 days per week.

(a-3) Persons who are issued a MDDP and who must drive a farm tractor to and from a farm, within 50 air miles from the originating farm are exempt from installation of a BAIID on the farm tractor, so long as the farm tractor is being used for the exclusive purpose of conducting farm operations.

(b) (Blank).

(c) (Blank).

(c-1) If the holder of the MDDP is convicted of or receives court supervision for a violation of Section 6-206.2, 6-303, 11-204, 11-204.1, 11-401, 11-501, 11-503, 11-506 or a similar provision of a local

ordinance or a similar out-of-state offense or is convicted of or receives court supervision for any offense for which alcohol or drugs is an element of the offense and in which a motor vehicle was involved (for an arrest other than the one for which the MDDP is issued), or de-installs the BAIID without prior authorization from the Secretary, the MDDP shall be cancelled.

(c-5) If the Secretary determines that the person seeking the MDDP is indigent, the Secretary shall provide the person with a written document as evidence of that determination, and the person shall provide that written document to an ignition interlock device provider. The provider shall install an ignition interlock device on that person's vehicle without charge to the person, and seek reimbursement from the Indigent BAIID Fund. If the Secretary has deemed an offender indigent, the BAIID provider shall also provide the normal monthly monitoring services and the de-installation without charge to the offender and seek reimbursement from the Indigent BAIID Fund. Any other monetary charges, such as a lockout fee or reset fee, shall be the responsibility of the MDDP holder. A BAIID provider may not seek a security deposit from the Indigent BAIID Fund.

(d) MDDP information shall be available only to the courts, police officers, and the Secretary, except during the actual period the MDDP is valid, during which time it shall be a public record.

(e) (Blank).

(f) (Blank).

(g) The Secretary shall adopt rules for implementing this Section. The rules adopted shall address issues including, but not limited to: compliance with the requirements of the MDDP; methods for determining compliance with those requirements; the consequences of noncompliance with those requirements; what constitutes a violation of the MDDP; methods for determining indigency; and the duties of a person or entity that supplies the ignition interlock device.

(h) The rules adopted under subsection (g) shall provide, at a minimum, that the person is not in compliance with the requirements of the MDDP if he or she:

(1) tampers or attempts to tamper with or circumvent the proper operation of the ignition interlock device;

(2) provides valid breath samples that register blood alcohol levels in excess of the number of times allowed under the rules;

(3) fails to provide evidence sufficient to satisfy the Secretary that the ignition interlock device has been installed in the designated vehicle or vehicles; or

(4) fails to follow any other applicable rules adopted by the Secretary.

(i) Any person or entity that supplies an ignition interlock device as provided under this Section shall, in addition to supplying only those devices which fully comply with all the rules adopted under subsection (g), provide the Secretary, within 7 days of inspection, all monitoring reports of each person who has had an ignition interlock device installed. These reports shall be furnished in a manner or form as prescribed by the Secretary.

(j) Upon making a determination that a violation of the requirements of the MDDP has occurred, the Secretary shall extend the summary suspension period for an additional 3 months beyond the originally imposed summary suspension period, during which time the person shall only be allowed to drive vehicles equipped with an ignition interlock device; provided further there are no limitations on the total number of times the summary suspension may be extended. The Secretary may, however, limit the number of extensions imposed for violations occurring during any one monitoring period, as set forth by rule. Any person whose summary suspension is extended pursuant to this Section shall have the right to contest the extension through a hearing with the Secretary, pursuant to Section 2-118 of this Code. If the summary suspension has already terminated prior to the Secretary receiving the monitoring report that shows a violation, the Secretary shall be authorized to suspend the person's driving privileges for 3 months, provided that the Secretary may, by rule, limit the number of suspensions to be entered pursuant to this paragraph for violations occurring during any one monitoring period. Any person whose license is suspended pursuant to this paragraph, after the summary suspension had already terminated, shall have the right to contest the suspension through a hearing with the Secretary, pursuant to Section 2-118 of this Code. The only permit the person shall be eligible for during this new suspension period is a MDDP.

(k) A person who has had his or her summary suspension extended for the third time, or has any combination of 3 extensions and new suspensions, entered as a result of a violation that occurred while holding the MDDP, so long as the extensions and new suspensions relate to the same summary suspension, shall have his or her vehicle impounded for a period of 30 days, at the person's own expense. A person who has his or her summary suspension extended for the fourth time, or has any combination of 4 extensions and new suspensions, entered as a result of a violation that occurred while holding the MDDP, so long as the extensions and new suspensions relate to the same summary suspension, shall have his or her vehicle subject to seizure and forfeiture. The Secretary shall notify the prosecuting authority of any

third or fourth extensions or new suspension entered as a result of a violation that occurred while the person held a MDDP. Upon receipt of the notification, the prosecuting authority shall impound or forfeit the vehicle. The impoundment or forfeiture of a vehicle shall be conducted pursuant to the procedure specified in Article 36 of the Criminal Code of 2012.

(l) A person whose driving privileges have been suspended under Section 11-501.1 of this Code and who had a MDDP that was cancelled, or would have been cancelled had notification of a violation been received prior to expiration of the MDDP, pursuant to subsection (c-1) of this Section, shall not be eligible for reinstatement when the summary suspension is scheduled to terminate. Instead, the person's driving privileges shall be suspended for a period of not less than twice the original summary suspension period, or for the length of any extensions entered under subsection (j), whichever is longer. During the period of suspension, the person shall be eligible only to apply for a restricted driving permit. If a restricted driving permit is granted, the offender may only operate vehicles equipped with a BAIID in accordance with this Section.

(m) Any person or entity that supplies an ignition interlock device under this Section shall, for each ignition interlock device installed, pay 5% of the total gross revenue received for the device, including monthly monitoring fees, into the Indigent BAIID Fund. This 5% shall be clearly indicated as a separate surcharge on each invoice that is issued. The Secretary shall conduct an annual review of the fund to determine whether the surcharge is sufficient to provide for indigent users. The Secretary may increase or decrease this surcharge requirement as needed.

(n) Any person or entity that supplies an ignition interlock device under this Section that is requested to provide an ignition interlock device to a person who presents written documentation of indigency from the Secretary, as provided in subsection (c-5) of this Section, shall install the device on the person's vehicle without charge to the person and shall seek reimbursement from the Indigent BAIID Fund.

(o) The Indigent BAIID Fund is created as a special fund in the State treasury. The Secretary shall, subject to appropriation by the General Assembly, use all money in the Indigent BAIID Fund to reimburse ignition interlock device providers who have installed devices in vehicles of indigent persons. The Secretary shall make payments to such providers every 3 months. If the amount of money in the fund at the time payments are made is not sufficient to pay all requests for reimbursement submitted during that 3 month period, the Secretary shall make payments on a pro-rata basis, and those payments shall be considered payment in full for the requests submitted.

(p) The Monitoring Device Driving Permit Administration Fee Fund is created as a special fund in the State treasury. The Secretary shall, subject to appropriation by the General Assembly, use the money paid into this fund to offset its administrative costs for administering MDDPs.

(q) The Secretary is authorized to prescribe such forms as it deems necessary to carry out the provisions of this Section.

(Source: P.A. 98-122, eff. 1-1-14; 98-1015, eff. 8-22-14; 98-1172, eff. 1-12-15; 99-467, eff. 1-1-16.)

(625 ILCS 5/11-501) (from Ch. 95 1/2, par. 11-501)

Sec. 11-501. Driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof.

(a) A person shall not drive or be in actual physical control of any vehicle within this State while:

(1) the alcohol concentration in the person's blood, other bodily substance, or breath is 0.08 or more based on the definition of blood and breath units in Section 11-501.2;

(2) under the influence of alcohol;

(3) under the influence of any intoxicating compound or combination of intoxicating compounds to a degree that renders the person incapable of driving safely;

(4) under the influence of any other drug or combination of drugs to a degree that renders the person incapable of safely driving;

(5) under the combined influence of alcohol, other drug or drugs, or intoxicating compound or compounds to a degree that renders the person incapable of safely driving;

(6) there is any amount of a drug, substance, or compound in the person's breath, blood, other bodily substance, or urine resulting from the unlawful use or consumption of a controlled substance listed in the Illinois Controlled Substances Act, an intoxicating compound listed in the Use of Intoxicating Compounds Act, or methamphetamine as listed in the Methamphetamine Control and Community Protection Act; or

(7) the person has, within 2 hours of driving or being in actual physical control of a vehicle, a tetrahydrocannabinol concentration in the person's whole blood or other bodily substance as defined in paragraph 6 of subsection (a) of Section 11-501.2 of this Code. Subject to all other requirements and provisions under this Section, this paragraph (7) does not apply to the lawful consumption of cannabis by a qualifying patient licensed under the Compassionate Use of Medical

Cannabis Pilot Program Act who is in possession of a valid registry card issued under that Act, unless that person is impaired by the use of cannabis.

(b) The fact that any person charged with violating this Section is or has been legally entitled to use alcohol, cannabis under the Compassionate Use of Medical Cannabis Pilot Program Act, other drug or drugs, or intoxicating compound or compounds, or any combination thereof, shall not constitute a defense against any charge of violating this Section.

(c) Penalties.

(1) Except as otherwise provided in this Section, any person convicted of violating subsection (a) of this Section is guilty of a Class A misdemeanor.

(2) A person who violates subsection (a) or a similar provision a second time shall be sentenced to a mandatory minimum term of either 5 days of imprisonment or 240 hours of community service in addition to any other criminal or administrative sanction.

(3) A person who violates subsection (a) is subject to 6 months of imprisonment, an additional mandatory minimum fine of \$1,000, and 25 days of community service in a program benefiting children if the person was transporting a person under the age of 16 at the time of the violation.

(4) A person who violates subsection (a) a first time, if the alcohol concentration in his or her blood, breath, other bodily substance, or urine was 0.16 or more based on the definition of blood, breath, other bodily substance, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 100 hours of community service and a mandatory minimum fine of \$500.

(5) A person who violates subsection (a) a second time, if at the time of the second violation the alcohol concentration in his or her blood, breath, other bodily substance, or urine was 0.16 or more based on the definition of blood, breath, other bodily substance, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 2 days of imprisonment and a mandatory minimum fine of \$1,250.

(d) Aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof.

(1) Every person convicted of committing a violation of this Section shall be guilty of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof if:

(A) the person committed a violation of subsection (a) or a similar provision for the third or subsequent time;

(B) the person committed a violation of subsection (a) while driving a school bus with one or more passengers on board;

(C) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in great bodily harm or permanent disability or disfigurement to another, when the violation was a proximate cause of the injuries;

(D) the person committed a violation of subsection (a) and has been previously convicted of violating Section 9-3 of the Criminal Code of 1961 or the Criminal Code of 2012 or a similar provision of a law of another state relating to reckless homicide in which the person was determined to have been under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds as an element of the offense or the person has previously been convicted under subparagraph (C) or subparagraph (F) of this paragraph (1);

(E) the person, in committing a violation of subsection (a) while driving at any speed in a school speed zone at a time when a speed limit of 20 miles per hour was in effect under subsection (a) of Section 11-605 of this Code, was involved in a motor vehicle accident that resulted in bodily harm, other than great bodily harm or permanent disability or disfigurement, to another person, when the violation of subsection (a) was a proximate cause of the bodily harm;

(F) the person, in committing a violation of subsection (a), was involved in a motor vehicle, snowmobile, all-terrain vehicle, or watercraft accident that resulted in the death of another person, when the violation of subsection (a) was a proximate cause of the death;

(G) the person committed a violation of subsection (a) during a period in which the defendant's driving privileges are revoked or suspended, where the revocation or suspension was for a violation of subsection (a) or a similar provision, Section 11-501.1, paragraph (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961 or the Criminal Code of 2012;

(H) the person committed the violation while he or she did not possess a driver's

license or permit or a restricted driving permit or a judicial driving permit or a monitoring device driving permit;

(I) the person committed the violation while he or she knew or should have known that the vehicle he or she was driving was not covered by a liability insurance policy;

(J) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in bodily harm, but not great bodily harm, to the child under the age of 16 being transported by the person, if the violation was the proximate cause of the injury;

(K) the person in committing a second violation of subsection (a) or a similar provision was transporting a person under the age of 16; or

(L) the person committed a violation of subsection (a) of this Section while transporting one or more passengers in a vehicle for-hire.

(2)(A) Except as provided otherwise, a person convicted of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof is guilty of a Class 4 felony.

(B) A third violation of this Section or a similar provision is a Class 2 felony. If at the time of the third violation the alcohol concentration in his or her blood, breath, other bodily substance, or urine was 0.16 or more based on the definition of blood, breath, other bodily substance, or urine units in Section 11-501.2, a mandatory minimum of 90 days of imprisonment and a mandatory minimum fine of \$2,500 shall be imposed in addition to any other criminal or administrative sanction. If at the time of the third violation, the defendant was transporting a person under the age of 16, a mandatory fine of \$25,000 and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(C) A fourth violation of this Section or a similar provision is a Class 2 felony, for which a sentence of probation or conditional discharge may not be imposed. If at the time of the violation, the alcohol concentration in the defendant's blood, breath, other bodily substance, or urine was 0.16 or more based on the definition of blood, breath, other bodily substance, or urine units in Section 11-501.2, a mandatory minimum fine of \$5,000 shall be imposed in addition to any other criminal or administrative sanction. If at the time of the fourth violation, the defendant was transporting a person under the age of 16 a mandatory fine of \$25,000 and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(D) A fifth violation of this Section or a similar provision is a Class 1 felony, for which a sentence of probation or conditional discharge may not be imposed. If at the time of the violation, the alcohol concentration in the defendant's blood, breath, other bodily substance, or urine was 0.16 or more based on the definition of blood, breath, other bodily substance, or urine units in Section 11-501.2, a mandatory minimum fine of \$5,000 shall be imposed in addition to any other criminal or administrative sanction. If at the time of the fifth violation, the defendant was transporting a person under the age of 16, a mandatory fine of \$25,000, and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(E) A sixth or subsequent violation of this Section or similar provision is a Class X felony. If at the time of the violation, the alcohol concentration in the defendant's blood, breath, other bodily substance, or urine was 0.16 or more based on the definition of blood, breath, other bodily substance, or urine units in Section 11-501.2, a mandatory minimum fine of \$5,000 shall be imposed in addition to any other criminal or administrative sanction. If at the time of the violation, the defendant was transporting a person under the age of 16, a mandatory fine of \$25,000 and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(F) For a violation of subparagraph (C) of paragraph (1) of this subsection (d), the defendant, if sentenced to a term of imprisonment, shall be sentenced to not less than one year nor more than 12 years.

(G) A violation of subparagraph (F) of paragraph (1) of this subsection (d) is a Class 2 felony, for which the defendant, unless the court determines that extraordinary circumstances exist and require probation, shall be sentenced to: (i) a term of imprisonment of not less than 3 years and not more than 14 years if the violation resulted in the death of one person; or (ii) a term of imprisonment of not less than 6 years and not more than 28 years if the violation resulted in the deaths of 2 or more persons.

(H) For a violation of subparagraph (J) of paragraph (1) of this subsection (d), a mandatory fine of \$2,500, and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(I) A violation of subparagraph (K) of paragraph (1) of this subsection (d), is a Class

2 felony and a mandatory fine of \$2,500, and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction. If the child being transported suffered bodily harm, but not great bodily harm, in a motor vehicle accident, and the violation was the proximate cause of that injury, a mandatory fine of \$5,000 and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(J) A violation of subparagraph (D) of paragraph (1) of this subsection (d) is a Class 3 felony, for which a sentence of probation or conditional discharge may not be imposed.

(3) Any person sentenced under this subsection (d) who receives a term of probation or conditional discharge must serve a minimum term of either 480 hours of community service or 10 days of imprisonment as a condition of the probation or conditional discharge in addition to any other criminal or administrative sanction.

(e) Any reference to a prior violation of subsection (a) or a similar provision includes any violation of a provision of a local ordinance or a provision of a law of another state or an offense committed on a military installation that is similar to a violation of subsection (a) of this Section.

(f) The imposition of a mandatory term of imprisonment or assignment of community service for a violation of this Section shall not be suspended or reduced by the court.

(g) Any penalty imposed for driving with a license that has been revoked for a previous violation of subsection (a) of this Section shall be in addition to the penalty imposed for any subsequent violation of subsection (a).

(h) For any prosecution under this Section, a certified copy of the driving abstract of the defendant shall be admitted as proof of any prior conviction.

(Source: P.A. 98-122, eff. 1-1-14; 98-573, eff. 8-27-13; 98-756, eff. 7-16-14; 99-697, eff. 7-29-16.)

(625 ILCS 5/11-501.9)

Sec. 11-501.9. Suspension of driver's license; medical cannabis card holder; failure or refusal of field sobriety tests; implied consent.

(a) A person who has been issued a registry identification card under the Compassionate Use of Medical Cannabis Pilot Program Act who drives or is in actual physical control of a motor vehicle upon the public highways of this State shall be deemed to have given consent to standardized field sobriety tests approved by the National Highway Traffic Safety Administration, under subsection (a-5) of Section 11-501.2 of this Code, if detained by a law enforcement officer who has a reasonable suspicion that the person is driving or is in actual physical control of a motor vehicle while impaired by the use of cannabis. The law enforcement officer must have an independent, cannabis-related factual basis giving reasonable suspicion that the person is driving or in actual physical control of a motor vehicle while impaired by the use of cannabis for conducting standardized field sobriety tests, which shall be included with the results of the field sobriety tests in any report made by the law enforcement officer who requests the test. The person's possession of a registry identification card issued under the Compassionate Use of Medical Cannabis Pilot Program Act alone is not a sufficient basis for reasonable suspicion.

For purposes of this Section, a law enforcement officer of this State who is investigating a person for an offense under Section 11-501 of this Code may travel into an adjoining state where the person has been transported for medical care to complete an investigation and to request that the person submit to field sobriety tests under this Section.

(b) A person who is unconscious, or otherwise in a condition rendering the person incapable of refusal, shall be deemed to have withdrawn the consent provided by subsection (a) of this Section.

(c) A person requested to submit to field sobriety tests, as provided in this Section, shall be warned by the law enforcement officer requesting the field sobriety tests that a refusal to submit to the field sobriety tests will result in the suspension of the person's privilege to operate a motor vehicle, as provided in subsection (f) of this Section. The person shall also be warned by the law enforcement officer that if the person submits to field sobriety tests as provided in this Section which disclose the person is impaired by the use of cannabis, a suspension of the person's privilege to operate a motor vehicle, as provided in subsection (f) of this Section, will be imposed.

(d) The results of field sobriety tests administered under this Section shall be admissible in a civil or criminal action or proceeding arising from an arrest for an offense as defined in Section 11-501 of this Code or a similar provision of a local ordinance. These test results shall be admissible only in actions or proceedings directly related to the incident upon which the test request was made.

(e) If the person refuses field sobriety tests or submits to field sobriety tests that disclose the person is impaired by the use of cannabis, the law enforcement officer shall immediately submit a sworn report to the circuit court of venue and the Secretary of State certifying that testing was requested under this Section and that the person refused to submit to field sobriety tests or submitted to field sobriety tests that disclosed

the person was impaired by the use of cannabis. The sworn report must include the law enforcement officer's factual basis for reasonable suspicion that the person was impaired by the use of cannabis.

(f) Upon receipt of the sworn report of a law enforcement officer submitted under subsection (e) of this Section, the Secretary of State shall enter the suspension to the driving record as follows:

- (1) for refusal or failure to complete field sobriety tests, a 12 month suspension shall be entered; or
- (2) for submitting to field sobriety tests that disclosed the driver was impaired by the use of cannabis, a 6 month suspension shall be entered.

The Secretary of State shall confirm the suspension by mailing a notice of the effective date of the suspension to the person and the court of venue. However, should the sworn report be defective for insufficient information or be completed in error, the confirmation of the suspension shall not be mailed to the person or entered to the record; instead, the sworn report shall be forwarded to the court of venue with a copy returned to the issuing agency identifying the defect.

(g) The law enforcement officer submitting the sworn report under subsection (e) of this Section shall serve immediate notice of the suspension on the person and the suspension shall be effective as provided in subsection (h) of this Section. If immediate notice of the suspension cannot be given, the arresting officer or arresting agency shall give notice by deposit in the United States mail of the notice in an envelope with postage prepaid and addressed to the person at his or her address as shown on the Uniform Traffic Ticket and the suspension shall begin as provided in subsection (h) of this Section. The officer shall confiscate any Illinois driver's license or permit on the person at the time of arrest. If the person has a valid driver's license or permit, the officer shall issue the person a receipt, in a form prescribed by the Secretary of State, that will allow the person to drive during the period provided for in subsection (h) of this Section. The officer shall immediately forward the driver's license or permit to the circuit court of venue along with the sworn report under subsection (e) of this Section.

(h) The suspension under subsection (f) of this Section shall take effect on the 46th day following the date the notice of the suspension was given to the person.

(i) When a driving privilege has been suspended under this Section and the person is subsequently convicted of violating Section 11-501 of this Code, or a similar provision of a local ordinance, for the same incident, any period served on suspension under this Section shall be credited toward the minimum period of revocation of driving privileges imposed under Section 6-205 of this Code.
(Source: P.A. 98-1172, eff. 1-12-15.)

Section 70. The Cannabis Control Act is amended by changing Section 5.3 as follows:
(720 ILCS 550/5.3)

Sec. 5.3. Unlawful use of cannabis-based product manufacturing equipment.

(a) A person commits unlawful use of cannabis-based product manufacturing equipment when he or she knowingly engages in the possession, procurement, transportation, storage, or delivery of any equipment used in the manufacturing of any cannabis-based product using volatile or explosive gas, including, but not limited to, canisters of butane gas, with the intent to manufacture, compound, covert, produce, derive, process, or prepare either directly or indirectly any cannabis-based product.

(b) This Section does not apply to a cultivation center or cultivation center agent that prepares medical cannabis or cannabis-infused products in compliance with the Compassionate Use of Medical Cannabis Pilot Program Act and Department of Public Health and Department of Agriculture rules.

(c) Sentence. A person who violates this Section is guilty of a Class 2 felony.
(Source: P.A. 99-697, eff. 7-29-16.)

Section 99. Effective date. This Act takes effect upon becoming law."

AMENDMENT NO. 2 TO SENATE BILL 2023

AMENDMENT NO. 2. Amend Senate Bill 2023, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 65, immediately below line 20, by inserting the following:

"Section 33. If and only if House Bill 1438 of the 101st General Assembly becomes law, then the Counties Code is amended by changing Section 5-1006.8 as follows:
(55 ILCS 5/5-1006.8)

Sec. 5-1006.8. County Cannabis Retailers' Occupation Tax Law.

(a) This Section may be referred to as the County Cannabis Retailers' Occupation Tax Law. On and after January 1, 2020, the corporate authorities of any county may, by ordinance, impose a tax upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the

Compassionate Use of Medical Cannabis Pilot Program Act, at retail in the county on the gross receipts from these sales made in the course of that business. If imposed, the tax shall be imposed only in 0.25% increments. The tax rate may not exceed: (i) 3.75% of the gross receipts of sales made in unincorporated areas of the county; and (ii) ~~3%~~ 0.75% of the gross receipts of sales made in a municipality located in the county a non-home rule county; and (iii) ~~3%~~ 0.75% of gross sales receipts made in a municipality located in a home rule county. The tax imposed under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The Department of Revenue shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this Section. In the administration of and compliance with this Section, the Department of Revenue and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and employ the same modes of procedure, as are described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6bb, 6c, 6d, 8, 8, 9, 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth in this Section.

(b) Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

(c) Whenever the Department of Revenue determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department of Revenue shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department of Revenue.

(d) The Department of Revenue shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder for deposit into the Local Cannabis Consumer Excise Tax Trust Fund.

(e) On or before the 25th day of each calendar month, the Department of Revenue shall prepare and certify to the Comptroller the amount of money to be disbursed from the Local Cannabis Consumer Excise Tax Trust Fund to counties from which retailers have paid taxes or penalties under this Section during the second preceding calendar month. The amount to be paid to each county shall be the amount (not including credit memoranda) collected under this Section from sales made in the county during the second preceding calendar month, plus an amount the Department of Revenue determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such county, and not including any amount that the Department determines is necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the county, less 1.5% of the remainder, which the Department shall transfer into the Tax Compliance and Administration Fund. The Department, at the time of each monthly disbursement to the counties, shall prepare and certify the State Comptroller the amount to be transferred into the Tax Compliance and Administration Fund under this Section. Within 10 days after receipt by the Comptroller of the disbursement certification to the counties and the Tax Compliance and Administration Fund provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification.

(f) An ordinance or resolution imposing or discontinuing a tax under this Section or effecting a change in the rate thereof shall be adopted and a certified copy thereof filed with the Department on or before the first day of June, whereupon the Department shall proceed to administer and enforce this Section as of the first day of September next following the adoption and filing.

(Source: 10100HB1438sam002.); and

on page 206, line 22, by replacing "law." with "law, except that Section 33, if it becomes law, takes effect upon becoming law or on the date House Bill 1438 of the 101st General Assembly takes effect, whichever is later."

Under the rules, the foregoing **Senate Bill No. 2023**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

[June 2, 2019]

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 13

Together with the attached amendment thereto, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE JOINT RESOLUTION NO. 13
Passed by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House
SENATE JOINT RESOLUTION NO. 13
HOUSE AMENDMENT NO. 1

AMENDMENT NO. 1 TO SENATE JOINT RESOLUTION 13

AMENDMENT NO. 1. Amend Senate Joint Resolution 13 as follows:

on page 2, line 5, by replacing "30" with "60";

on page 3, line 23, by replacing "age" with "over the age of";

on page 4, line 1, by inserting ", " after "275,000"; and

on page 4, line 19, by replacing "January 1, 2020, and upon the filing of its report," with "January 1, 2021 and upon the filing of its report".

Under the rules, the foregoing **Senate Joint Resolution No. 13**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL NO. 3501

A bill for AN ACT concerning local government.

Which amendments are as follows:

Senate Amendment No. 4 to HOUSE BILL NO. 3501

Senate Amendment No. 5 to HOUSE BILL NO. 3501

I am further directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of the following amendments:

Senate Amendment No. 1 to HOUSE BILL NO. 3501

Senate Amendment No. 2 to HOUSE BILL NO. 3501

Senate Amendment No. 3 to HOUSE BILL NO. 3501

Action taken by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

Under the rules, the foregoing **House Bill No. 3501**, with Senate Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

JOINT ACTION MOTIONS FILED

The following Joint Action Motion to the Senate Resolution listed below has been filed with the Secretary and referred to the Committee on Assignments:

[June 2, 2019]

Motion to Concur in House Amendment 1 to Senate Joint Resolution 13

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendment 1 to Senate Bill 75
Motion to Concur in House Amendment 1 to Senate Bill 689
Motion to Concur in House Amendment 2 to Senate Bill 689
Motion to Concur in House Amendment 3 to Senate Bill 689
Motion to Concur in House Amendment 1 to Senate Bill 690
Motion to Concur in House Amendment 2 to Senate Bill 690
Motion to Concur in House Amendment 3 to Senate Bill 690
Motion to Concur in House Amendment 1 to Senate Bill 1814
Motion to Concur in House Amendment 2 to Senate Bill 1814
Motion to Concur in House Amendment 1 to Senate Bill 1939
Motion to Concur in House Amendment 2 to Senate Bill 1939
Motion to Concur in House Amendment 1 to Senate Bill 2023
Motion to Concur in House Amendment 2 to Senate Bill 2023

The following Joint Action Motions to the House Bill listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Recede from Senate Amendment 1 to House Bill 3501
Motion to Recede from Senate Amendment 2 to House Bill 3501
Motion to Recede from Senate Amendment 3 to House Bill 3501

MESSAGE FROM THE PRESIDENT

**OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS**

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

June 2, 2019

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 2-10, the Senate will convene at 3:00 pm on Sunday, June 2, 2019.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Republican Leader Bill Brady

At the hour of 2:08 o'clock p.m., the perfunctory session stood adjourned.

REGULAR SESSION

[June 2, 2019]

3:13 O'CLOCK P.M.

The Senate met pursuant to the directive of the President.
 Senator Antonio Munóz, Chicago, Illinois presiding.
 Prayer by Pastor Curt Fleck, Civil Servant Ministries, Springfield, Illinois.
 Senator Cunningham led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Friday, May 31, 2019, be postponed, pending arrival of the printed Journal.
 The motion prevailed.

Senator Hunter asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

Senator Righter asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

At the hour of 3:21 o'clock p.m., the Chair announced that the Senate stands at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 3:56 o'clock p.m., the Senate resumed consideration of business.
 Senator Muñoz, presiding.

At the hour of 3:57 o'clock p.m., Senator Koehler, presiding.

At the hour of 4:04 o'clock p.m., Senator Muñoz, presiding.

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Lightford, Chairperson of the Committee on Assignments, during its June 2, 2019 meeting, reported that the following Legislative Measures have been approved for consideration:

Motion to Concur in House Amendment 1 to Senate Joint Resolution 13
Motion to Concur in House Amendment 1 to Senate Bill 75
Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 689
Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 690
Motion to Concur in House Amendments 1 and 2 to Senate Bill 1814
Motion to Concur in House Amendments 1 and 2 to Senate Bill 1939
Motion to Concur in House Amendments 1 and 2 to Senate Bill 2023

The foregoing concurrences were placed on the Secretary's Desk.

Motion to Recede from Senate Amendments 1, 2 and 3 to House Bill 3501

The foregoing nonconcurrence was placed on the Secretary's Desk

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Bush, **Senate Bill No. 75**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bush moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 59; NAYS None.

The following voted in the affirmative:

Anderson	Ellman	Link	Rose
Aquino	Fine	Manar	Sandoval
Barickman	Fowler	Martinez	Schimpf
Belt	Gillespie	McClure	Sims
Bennett	Glowiak	McConchie	Stadelman
Bertino-Tarrant	Harmon	McGuire	Steans
Brady	Harris	Morrison	Stewart
Bush	Hastings	Mulroe	Syverson
Castro	Holmes	Muñoz	Tracy
Collins	Hunter	Murphy	Van Pelt
Crowe	Hutchinson	Oberweis	Villivalam
Cullerton, T.	Jones, E.	Peters	Weaver
Cunningham	Koehler	Plummer	Wilcox
Curran	Landek	Rezin	Mr. President
DeWitte	Lightford	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 75**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hutchinson, **Senate Bill No. 689**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hutchinson moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 49; NAYS 8; Present 1.

The following voted in the affirmative:

Anderson	Ellman	Landek	Rose
Aquino	Fine	Lightford	Sandoval
Barickman	Fowler	Link	Sims
Belt	Gillespie	Manar	Stadelman
Bennett	Glowiak	Martinez	Steans
Bertino-Tarrant	Harmon	McClure	Syverson
Brady	Harris	McConchie	Tracy
Castro	Hastings	McGuire	Van Pelt
Collins	Holmes	Morrison	Villivalam
Crowe	Hunter	Mulroe	Mr. President
Cullerton, T.	Hutchinson	Muñoz	
Cunningham	Jones, E.	Murphy	
DeWitte	Koehler	Peters	

The following voted in the negative:

Curran	Righter	Weaver
Plummer	Schimpf	Wilcox
Rezin	Stewart	

The following voted present:

Oberweis

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 689**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Bush asked and obtained unanimous consent for the Journal to reflect her intention to have voted in the affirmative on **Senate Bill No. 689**.

On motion of Senator Link, **Senate Bill No. 690**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 46; NAYS 10; Present 2.

The following voted in the affirmative:

Anderson	Fine	Lightford	Rose
Aquino	Fowler	Link	Sandoval
Barickman	Gillespie	Manar	Sims
Belt	Harmon	Martinez	Stadelman
Bennett	Harris	McClure	Stears
Bertino-Tarrant	Hastings	McConchie	Syverson
Bush	Holmes	McGuire	Tracy
Castro	Hunter	Morrison	Van Pelt
Crowe	Hutchinson	Mulroe	Villivalam
Cunningham	Jones, E.	Muñoz	Mr. President
DeWitte	Koehler	Murphy	
Ellman	Landek	Peters	

The following voted in the negative:

Collins	Oberweis	Righter	Wilcox
Curran	Plummer	Schimpf	
Glowiak	Rezin	Stewart	

The following voted present:

Brady

Cullerton, T.

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 690**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 1814**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS 6.

The following voted in the affirmative:

[June 2, 2019]

Anderson	DeWitte	Lightford	Rose
Aquino	Ellman	Link	Sandoval
Barickman	Fine	Manar	Sims
Belt	Fowler	Martinez	Stadelman
Bennett	Gillespie	McClure	Steans
Bertino-Tarrant	Glowiak	McConchie	Syverson
Brady	Harris	McGuire	Tracy
Bush	Hastings	Morrison	Van Pelt
Castro	Holmes	Mulroe	Villivalam
Collins	Hunter	Muñoz	Mr. President
Crowe	Hutchinson	Murphy	
Cullerton, T.	Jones, E.	Peters	
Cunningham	Koehler	Rezin	
Curran	Landek	Righter	

The following voted in the negative:

Oberweis	Schimpf	Weaver
Plummer	Stewart	Wilcox

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1814**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Sandoval, **Senate Bill No. 1939**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sandoval moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 48; NAYS 9; Present 1.

The following voted in the affirmative:

Anderson	Ellman	Lightford	Sandoval
Aquino	Fine	Link	Sims
Barickman	Fowler	Manar	Stadelman
Belt	Gillespie	Martinez	Steans
Bertino-Tarrant	Harmon	McClure	Syverson
Brady	Harris	McConchie	Tracy
Bush	Hastings	McGuire	Van Pelt
Castro	Holmes	Morrison	Villivalam
Collins	Hunter	Mulroe	Mr. President
Cullerton, T.	Hutchinson	Murphy	
Cunningham	Jones, E.	Peters	
Curran	Koehler	Rezin	
DeWitte	Landek	Rose	

The following voted in the negative:

Bennett	Plummer	Stewart
Crowe	Righter	Weaver
Glowiak	Schimpf	Wilcox

The following voted present:

Oberweis

[June 2, 2019]

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1939**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Fine, **Senate Bill No. 2023**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Fine moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS 2.

The following voted in the affirmative:

Anderson	Fine	Manar	Schimpf
Aquino	Fowler	Martinez	Sims
Barickman	Gillespie	McClure	Stadelman
Belt	Glowiak	McConchie	Steans
Bennett	Harmon	McGuire	Syverson
Bertino-Tarrant	Hastings	Morrison	Tracy
Brady	Holmes	Mulroe	Van Pelt
Bush	Hunter	Muñoz	Villivalam
Castro	Hutchinson	Murphy	Wilcox
Crowe	Jones, E.	Oberweis	Mr. President
Cullerton, T.	Koehler	Peters	
Cunningham	Landek	Rezin	
DeWitte	Lightford	Rose	
Ellman	Link	Sandoval	

The following voted in the negative:

Righter
Weaver

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2023**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Curran asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the affirmative on **Senate Bill No. 2023**.

Senator Collins asked and obtained unanimous consent for the Journal to reflect her intention to have voted in the affirmative on **Senate Bill No. 2023**.

CONSIDERATION OF SENATE AMENDMENTS TO HOUSE BILL ON SECRETARY'S DESK

On motion of Senator Bush, **House Bill No. 3501**, with Senate Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bush moved that the Senate recede from its Amendments numbered 1, 2 and 3 to **House Bill No. 3501**.

And on that motion, a call of the roll was had resulting as follows:

YEAS 55; NAYS None.

The following voted in the affirmative:

Anderson	Ellman	Lightford	Rose
Aquino	Fine	Link	Sandoval
Belt	Fowler	Manar	Schimpf
Bennett	Gillespie	Martinez	Sims
Bertino-Tarrant	Glowiak	McClure	Stadelman
Brady	Harmon	McConchie	Steans
Bush	Harris	McGuire	Syverson
Castro	Hastings	Morrison	Tracy
Collins	Holmes	Mulroe	Van Pelt
Crowe	Hunter	Muñoz	Villivalam
Cullerton, T.	Hutchinson	Murphy	Weaver
Cunningham	Jones, E.	Peters	Wilcox
Curran	Koehler	Rezin	Mr. President
DeWitte	Landek	Righter	

The motion prevailed.

And the Senate receded from their Amendments numbered 1, 2 and 3 to **House Bill No. 3501**.
Ordered that the Secretary inform the House of Representatives thereof.

CONSIDERATION OF HOUSE AMENDMENT TO SENATE RESOLUTION ON SECRETARY'S DESK

On motion of Senator Crowe, **Senate Joint Resolution No. 13**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Crowe moved that the Senate concur with the House in the adoption of their amendment to said resolution.

At the hour of 5:01 o'clock p.m., Senator Harmon, presiding.

And on that motion, a call of the roll was had resulting as follows:

YEAS 57; NAYS None.

The following voted in the affirmative:

Anderson	Ellman	Link	Sandoval
Aquino	Fine	Manar	Schimpf
Barickman	Fowler	Martinez	Sims
Belt	Gillespie	McClure	Stadelman
Bennett	Glowiak	McGuire	Steans
Bertino-Tarrant	Harmon	Morrison	Syverson
Brady	Harris	Mulroe	Tracy
Bush	Hastings	Muñoz	Van Pelt
Castro	Holmes	Murphy	Villivalam
Collins	Hunter	Oberweis	Weaver
Crowe	Hutchinson	Peters	Wilcox
Cullerton, T.	Jones, E.	Plummer	Mr. President
Cunningham	Koehler	Rezin	
Curran	Landek	Righter	
DeWitte	Lightford	Rose	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Joint Resolution No. 13**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Muñoz, Chairperson of the Committee on Executive Appointments, moved that the Senate resolve itself into Executive Session to consider the report of that Committee relative to the appointment messages.

The motion prevailed.

EXECUTIVE SESSION

Senator Muñoz, Chairperson of the Committee on Executive Appointments, to which was referred Appointment Message 1010049, reported the same back with the recommendation that the Senate advise and consent to the following appointment:

Appointment Message No. 1010049

To the Honorable Members of the Senate, One Hundred First General Assembly:

I, JB Pritzker, Governor, am nominating and, by and with the advice and consent of the Senate, appointing the following named individual to the office enumerated below. The advice and consent of this Honorable Body is respectfully requested.

Title of Office: Member and Chair

Agency or Other Body: Illinois State Board of Education

Start Date: February 25, 2019

End Date: January 11, 2023

Name: Darren Reisberg

Residence: 5825 N. Hermitage Ave., Chicago, IL 60660

Annual Compensation: Expenses, \$50 per day of meeting

Per diem: Not Applicable

Nominee's Senator: Senator Heather A. Steans

Most Recent Holder of Office: Rev. James Meeks

Superseded Appointment Message: Not Applicable

Senator Muñoz moved that the Senate advise and consent to the foregoing appointment. And on that motion, a call of the roll was had resulting as follows:

YEAS 58; NAYS None.

The following voted in the affirmative:

Anderson	Ellman	Link	Rose
Aquino	Fine	Manar	Sandoval
Barickman	Fowler	Martinez	Schimpf
Belt	Gillespie	McClure	Sims
Bennett	Glowiak	McConchie	Stadelman
Bertino-Tarrant	Harmon	McGuire	Steans
Brady	Harris	Morrison	Syverson
Bush	Hastings	Mulroe	Tracy
Castro	Holmes	Muñoz	Van Pelt
Collins	Hunter	Murphy	Villivalam
Crowe	Hutchinson	Oberweis	Weaver

[June 2, 2019]

Cullerton, T.
Cunningham
Curran
DeWitte

Jones, E.
Koehler
Landek
Lightford

Peters
Plummer
Rezin
Righter

Wilcox
Mr. President

The motion prevailed.

Whereupon the President of the Senate announced confirmation of the foregoing appointment.

On motion of Senator Muñoz, the Executive Session arose and the Senate resumed consideration of business.

Senator Harmon, presiding.

COMMUNICATIONS

ILLINOIS STATE SENATE DON HARMON ASSISTANT MAJORITY LEADER

DISCLOSURE TO THE SENATE

Date: 5/31/19

Legislative Measure(s): HB 142

Venue:

- Committee on _____
 Full Senate

Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted "present") on the above legislative measure(s).

Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

s/Don Harmon
Senator Don Harmon

ILLINOIS STATE SENATE DON HARMON ASSISTANT MAJORITY LEADER

DISCLOSURE TO THE SENATE

Date: 5/31/19

Legislative Measure(s): SB 1264 – HA #1

Venue:

- Committee on _____
 Full Senate

Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted "present") on the above legislative measure(s).

Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

s/Don Harmon
Senator Don Harmon

ILLINOIS STATE SENATE

[June 2, 2019]

DON HARMON
ASSISTANT MAJORITY LEADER

DISCLOSURE TO THE SENATE

Date: 6/1/19

Legislative Measure(s): HB 62

Venue:

- Committee on _____
- Full Senate

Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted "present") on the above legislative measure(s).

Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

s/Don Harmon
Senator Don Harmon

ILLINOIS STATE SENATE
DON HARMON
ASSISTANT MAJORITY LEADER

DISCLOSURE TO THE SENATE

Date: 6/1/19

Legislative Measure(s): SB 262

Venue:

- Committee on _____
- Full Senate

Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted "present") on the above legislative measure(s).

Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

s/Don Harmon
Senator Don Harmon

ILLINOIS STATE SENATE
DON HARMON
ASSISTANT MAJORITY LEADER

DISCLOSURE TO THE SENATE

Date: 6/1/19

Legislative Measure(s): HB 816

Venue:

- Committee on _____
- Full Senate

Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted "present") on the above legislative measure(s).

[June 2, 2019]

Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

s/Don Harmon
Senator Don Harmon

**ILLINOIS STATE SENATE
DON HARMON
ASSISTANT MAJORITY LEADER**

DISCLOSURE TO THE SENATE

Date: 6/2/19

Legislative Measure(s): SB 690

Venue:

- Committee on _____
 Full Senate

Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted "present") on the above legislative measure(s).

Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

s/Don Harmon
Senator Don Harmon

**ILLINOIS STATE SENATE
DON HARMON
ASSISTANT MAJORITY LEADER**

DISCLOSURE TO THE SENATE

Date: 6/2/19

Legislative Measure(s): SB 1814

Venue:

- Committee on _____
 Full Senate

Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted "present") on the above legislative measure(s).

Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

s/Don Harmon
Senator Don Harmon

MESSAGE FROM THE PRESIDENT

**OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS**

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

[June 2, 2019]

June 2, 2019

Mr. Tim Anderson
 Secretary of the Senate
 403 State House
 Springfield, IL 62706

Dear Secretary Anderson:

Enclosed please find a Senate Veto Session Schedule for 2019.

If you have any questions, please contact my Chief of Staff Kristin Richards at (217) 782-2728.

Sincerely,
 s/John J. Cullerton
 Encl.

2019 Veto

ILLINOIS SENATE CALENDAR
 101ST GENERAL ASSEMBLY
SENATOR JOHN J. CULLERTON
 SENATE PRESIDENT



OCTOBER						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
6	7	8	9	10	11	12
13	14 <small>COLUMBUS DAY STATE HOLIDAY</small>	15	16	17	18	19
20	21	22	23	24	25	26
27	28 SESSION	29 SESSION	30 SESSION	31 <small>HALLOWEEN</small>		

IMPORTANT DATES
 SESSION DAYS - 28, 29, 30
 OCTOBER 14 - COLUMBUS DAY / STATE HOLIDAY

[June 2, 2019]

2019 Veto

ILLINOIS SENATE CALENDAR
101ST GENERAL ASSEMBLY
SENATOR JOHN J. CULLERTON
SENATE PRESIDENT



NOVEMBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3 DAYLIGHT SAVING ENDS	4	5	6	7	8	9
10	11 VETERANS DAY STATE HOLIDAY	12 SESSION	13 SESSION	14 SESSION	15	16
17	18	19	20	21	22	23
24	25	26	27	28 THANKSGIVING STATE HOLIDAY	29 STATE HOLIDAY	30

IMPORTANT DATES

SESSION DAYS - 12, 13, 14
NOVEMBER 3 - DAYLIGHT SAVING ENDS
NOVEMBER 11 - VETERANS DAY / STATE HOLIDAY
NOVEMBER 28, 29 - THANKSGIVING / STATE HOLIDAY

MESSAGES FROM THE HOUSE

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 731

A bill for AN ACT concerning State government.

Passed the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1514

A bill for AN ACT concerning civil law.

Passed the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 1

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

[June 2, 2019]

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 2

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 4

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 9

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 16

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 21

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 22

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 24

Concurred in by the House, June 1, 2019.

[June 2, 2019]

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 27

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 28

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 35

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 36

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 40

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of the following joint resolution, to-wit:

SENATE JOINT RESOLUTION NO. 46

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

[June 2, 2019]

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 62

A bill for AN ACT making appropriations.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 62

Senate Amendment No. 2 to HOUSE BILL NO. 62

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 92

A bill for AN ACT concerning criminal law.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 92

Senate Amendment No. 3 to HOUSE BILL NO. 92

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 137

A bill for AN ACT concerning State government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 137

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 142

A bill for AN ACT concerning finance.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 142

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 854

A bill for AN ACT concerning government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 854

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

[June 2, 2019]

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 925

A bill for AN ACT concerning revenue.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 925

Senate Amendment No. 2 to HOUSE BILL NO. 925

Senate Amendment No. 3 to HOUSE BILL NO. 925

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2078

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2078

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2276

A bill for AN ACT concerning transportation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2276

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2304

A bill for AN ACT concerning State government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2304

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2540

A bill for AN ACT concerning business.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2540

[June 2, 2019]

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2625

A bill for AN ACT concerning courts.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2625

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 2627

A bill for AN ACT concerning education.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2627

Senate Amendment No. 2 to HOUSE BILL NO. 2627

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2719

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2719

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3086

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3086

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by
Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 3222

A bill for AN ACT concerning civil law.

[June 2, 2019]

Which amendments are as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 3222

Senate Amendment No. 4 to HOUSE BILL NO. 3222

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3263

A bill for AN ACT concerning public employee benefits.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 3263

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3394

A bill for AN ACT concerning business.

Which amendment is as follows:

Senate Amendment No. 3 to HOUSE BILL NO. 3394

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3586

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3586

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3610

A bill for AN ACT concerning liquor.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3610

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

A message from the House by

Mr. Hollman, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

[June 2, 2019]

HOUSE BILL 3623

A bill for AN ACT concerning wildlife.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3623

Concurred in by the House, June 1, 2019.

JOHN W. HOLLMAN, Clerk of the House

At the hour of 5:12 o'clock p.m., pursuant to **Senate Joint Resolution No. 46**, the Chair announced that the Senate stands adjourned until Monday, October 28, 2019, at 12:00 o'clock noon, or until the call of the President.