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INTRODUCTION

The *Illinois Register* is the official state document for publishing public notice of rulemaking activity initiated by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category.

Rulemaking activity consists of proposed or adopted new rules; amendments to or repealers of existing rules; and rules promulgated by emergency or peremptory action. Executive Orders and Proclamations issued by the Governor; notices of public information required by State Statute; and activities (meeting agendas; Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State Agencies; is also published in the Register.

The Register is a weekly update of the Illinois Administrative Code (a compilation of the rules adopted by State agencies). The most recent edition of the Code, along with the Register, comprise the most current accounting of State agencies' rulemakings.

The *Illinois Register* is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act [5 ILCS 100/1-1, et seq.].

ILLINOIS REGISTER PUBLICATION SCHEDULE FOR 2020

Issue#	Rules Due Date	Date of Issue
1	December 23, 2019	January 3, 2020
2	December 30, 2019	January 10, 2020
3	January 6, 2020	January 17, 2020
4	January 13, 2020	January 24, 2020
5	January 21, 2020	January 31, 2020
6	January 27, 2020	February 7, 2020
7	February 3, 2020	February 14, 2020
8	February 10, 2020	February 21, 2020
9	February 18, 2020	February 28, 2020
10	February 24, 2020	March 6, 2020
11	March 2, 2020	March 13, 2020
12	March 9, 2020	March 20, 2020
13	March 16, 2020	March 27, 2020
14	March 23, 2020	April 3, 2020
15	March 30, 2020	April 10, 2020
16	April 6, 2020	April 17, 2020
17	April 13, 2020	April 24, 2020
18	April 20, 2020	May 1, 2020
19	April 27, 2020	May 8, 2020
20	May 4, 2020	May 15, 2020
21	May 11, 2020	May 22, 2020
22	May 18, 2020	May 29, 2020

23	May 26, 2020	June 5, 2020
24	June 1, 2020	June 12, 2020
25	June 8, 2020	June 19, 2020
26	June 15, 2020	June 26, 2020
27	June 22, 2020	July 6, 2020
28	June 29, 2020	July 10, 2020
29	July 6, 2020	July 17, 2020
30	July 13, 2020	July 24, 2020
31	July 20, 2020	July 31, 2020
32	July 27, 2020	August 7, 2020
33	August 3, 2020	August 14, 2020
34	August 10, 2020	August 21, 2020
35	August 17, 2020	August 28, 2020
36	August 24, 2020	September 4, 2020
37	August 31, 2020	September 11, 2020
38	September 8, 2020	September 18, 2020
39	September 14, 2020	September 25, 2020
40	September 21, 2020	October 2, 2020
41	September 28, 2020	October 9, 2020
42	October 5, 2020	October 16, 2020
43	October 13, 2020	October 23, 2020
44	October 19, 2020	October 30, 2020
45	October 26, 2020	November 6, 2020
46	November 2, 2020	November 13, 2020
47	November 9, 2020	November 20, 2020
48	November 16, 2020	November 30, 2020
49	November 23, 2020	December 4, 2020
50	November 30, 2020	December 11, 2020
51	December 7, 2020	December 18, 2020
52	December 14, 2020	December 28, 2020

ILLINOIS GAMING BOARD

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Sports Wagering

2) Code Citation: 11 Ill. Adm. Code 1900

3)

Section Numbers:	Proposed Actions:
1900.340	New Section
1900.410	New Section
1900.420	New Section
1900.600	New Section
1900.610	New Section
1900.620	New Section
1900.630	New Section
1900.1000	New Section
1900.1010	New Section
1900.1020	New Section
1900.1030	New Section
1900.1040	New Section
1900.1050	New Section
1900.1100	New Section
1900.1110	New Section
1900.1120	New Section
1900.1130	New Section
1900.1140	New Section
1900.1150	New Section
1900.1160	New Section
1900.1170	New Section
1900.1180	New Section
1900.1190	New Section
1900.1210	New Section
1900.1220	New Section
1900.1230	New Section
1900.1240	New Section
1900.1250	New Section
1900.1310	New Section
1900.1320	New Section
1900.1330	New Section
1900.1400	New Section
1900.1410	New Section
1900.1420	New Section

1900.1430	New Section
1900.1440	New Section
1900.1450	New Section
1900.1500	New Section
1900.1510	New Section
1900.1520	New Section
1900.1610	New Section
1900.1620	New Section
1900.1630	New Section
1900.1640	New Section
1900.1650	New Section
1900.1660	New Section
1900.1710	New Section
1900.1720	New Section
1900.1730	New Section
1900.1740	New Section

4) Statutory Authority: Section 25-15 (b) of the Sports Wagering Act [230 ILCS 45/25-15 (b)] provides that: "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.

5) A Complete Description of the Subjects and Issues Involved: The present rulemaking implements the provisions of the Sports Wagering Act (SWA) enacted by PA 101-31, effective June 28, 2019, and amended by PA 101-597, effective December 6, 2019. This is the second proposed rulemaking implementing the provisions of the SWA. The first proposed rulemaking was published in the *Illinois Register* at 44 Ill. Reg. 84 (January 3, 2019).

The present rulemaking governs accounting measures, financial record requirements, commencement of wagering, prohibited wagers, types of events allowed, types of wagers authorized, conduct of wagering, house rules for wagering, internet wagering requirements, sports wagering accounts, responsible gaming limits, reporting prohibited conduct, official league data, wagering equipment requirements, internal controls, wagering locations, sports facilities, self-exclusion program, and many other important issues that will allow sports wagering to be operational in Illinois.

6) Published studies and reports, and underlying sources of data, used to compose this rulemaking: None

ILLINOIS GAMING BOARD

NOTICE OF PROPOSED AMENDMENTS

7) Will this rulemaking replace an emergency rule currently in effect? Yes

8) Does the rulemaking contain an automatic repeal date? No

9) Does this rulemaking contain incorporations by reference? No

10) Are there any other rulemakings pending on this Part? Yes

Section Numbers:	Proposed Actions:	*Illinois Register* Citations:
1900.110	New Section	44 Ill. Reg. 84; January 3, 2020
1900.120	New Section	44 Ill. Reg. 84; January 3, 2020
1900.130	New Section	44 Ill. Reg. 84; January 3, 2020
1900.150	New Section	44 Ill. Reg. 84; January 3, 2020
1900.160	New Section	44 Ill. Reg. 84; January 3, 2020
1900.210	New Section	44 Ill. Reg. 84; January 3, 2020
1900.220	New Section	44 Ill. Reg. 84; January 3, 2020
1900.230	New Section	44 Ill. Reg. 84; January 3, 2020
1900.240	New Section	44 Ill. Reg. 84; January 3, 2020
1900.250	New Section	44 Ill. Reg. 84; January 3, 2020
1900.260	New Section	44 Ill. Reg. 84; January 3, 2020
1900.270	New Section	44 Ill. Reg. 84; January 3, 2020
1900.310	New Section	44 Ill. Reg. 84; January 3, 2020
1900.320	New Section	44 Ill. Reg. 84; January 3, 2020
1900.330	New Section	44 Ill. Reg. 84; January 3, 2020
1900.500	New Section	44 Ill. Reg. 84; January 3, 2020
1900.510	New Section	44 Ill. Reg. 84; January 3, 2020
1900.520	New Section	44 Ill. Reg. 84; January 3, 2020
1900.530	New Section	44 Ill. Reg. 84; January 3, 2020
1900.700	New Section	44 Ill. Reg. 84; January 3, 2020
1900.710	New Section	44 Ill. Reg. 84; January 3, 2020
1900.715	New Section	44 Ill. Reg. 84; January 3, 2020
1900.720	New Section	44 Ill. Reg. 84; January 3, 2020
1900.730	New Section	44 Ill. Reg. 84, January 3, 2020
1900.735	New Section	44 Ill. Reg. 84; January 3, 2020
1900.740	New Section	44 Ill. Reg. 84; January 3, 2020
1900.750	New Section	44 Ill. Reg. 84; January 3, 2020
1900.760	New Section	44 Ill. Reg. 84; January 3, 2020
1900.770	New Section	44 Ill. Reg. 84; January 3, 2020

1900.780	New Section	44 Ill. Reg. 84; January 3, 2020
1900.790	New Section	44 Ill. Reg. 84; January 3, 2020
1900.795	New Section	44 Ill. Reg. 84; January 3, 2020
1900.810	New Section	44 Ill. Reg. 84; January 3, 2020
1900.815	New Section	44 Ill. Reg. 84; January 3, 2020
1900.820	New Section	44 Ill. Reg. 84; January 3, 2020
1900.825	New Section	44 Ill. Reg. 84; January 3, 2020
1900.830	New Section	44 Ill. Reg. 84; January 3, 2020
1900.835	New Section	44 Ill. Reg. 84; January 3, 2020
1900.840	New Section	44 Ill. Reg. 84; January 3, 2020
1900.850	New Section	44 Ill. Reg. 84; January 3, 2020
1900.860	New Section	44 Ill. Reg. 84; January 3, 2020
1900.870	New Section	44 Ill. Reg. 84; January 3, 2020
1900.880	New Section	44 Ill. Reg. 84; January 3, 2020
1900.890	New Section	44 Ill. Reg. 84; January 3, 2020
1900.895	New Section	44 Ill. Reg. 84; January 3, 2020
1900.910	New Section	44 Ill. Reg. 84; January 3, 2020
1900.915	New Section	44 Ill. Reg. 84; January 3, 2020
1900.920	New Section	44 Ill. Reg. 84; January 3, 2020
1900.925	New Section	44 Ill. Reg. 84; January 3, 2020
1900.930	New Section	44 Ill. Reg. 84; January 3, 2020
1900.935	New Section	44 Ill. Reg. 84; January 3, 2020
1900.940	New Section	44 Ill. Reg. 84; January 3, 2020
1900.945	New Section	44 Ill. Reg. 84; January 3, 2020
1900.950	New Section	44 Ill. Reg. 84; January 3, 2020
1900.960	New Section	44 Ill. Reg. 84; January 3, 2020
1900.970	New Section	44 Ill. Reg. 84; January 3, 2020
1900.980	New Section	44 Ill. Reg. 84; January 3, 2020
1900.990	New Section	44 Ill. Reg. 84; January 3, 2020
1900.995	New Section	44 Ill. Reg. 84; January 3, 2020

11) Statement of Statewide Policy Objective: This rulemaking does not create or expand a State mandate under 30 ILCS 805.

12) Time, place and manner in which interested persons may comment on this proposed rulemaking: Any interested person may submit comments in writing concerning this proposed rulemaking not later than 45 days after publication of this Notice in the *Illinois Register* to:

ILLINOIS GAMING BOARD

NOTICE OF PROPOSED AMENDMENTS

Agostino Lorenzini
General Counsel
Illinois Gaming Board
160 North LaSalle Street
Chicago IL 60601

IGB.RuleComments@igb.illinois.gov

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: The rulemaking will affect persons and entities licensed under the Sports Wagering Act that qualify as small businesses.

B) Reporting, bookkeeping or other procedures required for compliance: Sports wagering licensees must comply applicable requirements in the rulemaking pertaining to the following:

Advertising and marketing (New Section 1900.34);

Investigations of prohibited conduct (new Subpart D);

Online license competitive bidding (new Subpart F);

Accounting, records, and data (new Subpart J);

Conduct of wagering (new Subpart K);

Conduct of online wagering (new Subpart L);

Tier 2 wagering (new Subpart M);

Equipment and testing (new Subpart N);

Internal controls (new Subpart O);

Facilities (new Subpart P); and

Self-exclusion (new Subpart Q).

ILLINOIS GAMING BOARD

NOTICE OF PROPOSED AMENDMENTS

C) Types of professional skills necessary for compliance: The rulemaking will require professional skills in the areas of accounting and auditing, sports wagering gaming operations, and regulatory compliance.

14) Small business impact analysis:

A) Types of businesses subject to the proposed rule:

51 Information
54 Professional, Scientific and Technical Services
55 Management of Companies and Enterprises

B) Categories that the agency reasonably believes the rulemaking will impact, including:

i. hiring and additional staffing
vii. regulatory requirements
viii. record keeping

15) Regulatory agenda on which this rulemaking was summarized: This rulemaking was not summarized in a regulatory agenda because the need for it was unanticipated.

The full text of the Proposed Amendments is identical to that of the Emergency Amendments found in this issue of the *Illinois Register* on page 2900.

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

1) Heading of the Part: Cannabis Cultivation Privilege Tax

2) Code Citation: 86 Ill. Adm. Code 422

3)

Section Numbers:	Proposed Actions:
422.100	New Section
422.105	New Section
422.110	New Section
422.115	New Section
422.120	New Section
422.125	New Section
422.130	New Section
422.135	New Section
422.140	New Section
422.145	New Section
422.150	New Section

4) Statutory Authority: 410 ILCS 705/60-45

5) A Complete Description of the Subjects and Issues Involved: The proposed rulemaking implements PA 101-27, codified at 410 ILCS 705. Beginning September 1, 2019, a tax is imposed upon the privilege of cultivating cannabis at the rate of 7% of the gross receipts from the first sale of cannabis by a cultivator to a cultivator, craft grower, infuser or dispensing organization. The sale of any product that contains any amount of cannabis or any derivative thereof is subject to the tax on the full selling price of the product.

6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None

7) Will this rulemaking replace an emergency rule currently in effect? Yes

8) Does this rulemaking contain an automatic repeal date? No

9) Does this rulemaking contain incorporations by reference? Yes. To avoid needless repetition, the substance and provisions of all Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) which are not incompatible with the Cannabis Cultivation Privilege Tax Law or the proposed rules are referenced. 86 Ill. Adm. Code 422.150(c).

10) Are there any other rulemakings pending on this Part? No

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

11) Statement of Statewide Policy Objective: This rulemaking does not create a State mandate, nor does it modify any existing State mandates.

12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Richard S. Wolters
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield IL 62794

217/782-2844

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance. General bookkeeping, accounting and computer skills.

C) Types of professional skills necessary for compliance: General bookkeeping, accounting and computer skills.

14) Small Business Impact Analysis: The rulemaking will not have an impact on small businesses.

15) Regulatory Agenda on which this rulemaking was summarized: January 2020

The full text of the Proposed Rules begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 422
CANNABIS CULTIVATION PRIVILEGE TAX

Section
422.100 Nature of the Tax
422.105 Definitions
422.110 Tax Imposed
422.115 Returns and Payment of Tax
422.120 Infuser Information Returns and Books and Records
422.125 Registration of Cultivators
422.130 Revocation of Certificate of Registration
422.135 Books and Records
422.140 Invoices Issued by a Cultivator
422.145 Penalties and Interest
422.150 Administration and Enforcement

AUTHORITY: Implementing the Cannabis Cultivation Privilege Tax Law [410 ILCS 705/Art. 60].

SOURCE: Emergency rule adopted at 44 Ill. Reg. 594, effective December 27, 2019, for a maximum of 180 days; adopted at 44 Ill. Reg._____, effective _____.

Section 422.100 Nature of the Tax

a) *Beginning September 1, 2019, the Cannabis Cultivation Privilege Tax Law imposes a tax on the privilege of cultivating cannabis in this State at the rate of 7% of gross receipts received from the first sale of cannabis by the cultivator.* [410 ILCS 705/60-10(a)]

b) The Tax is imposed upon cultivation centers and craft growers growing cannabis for sale to cannabis business establishments. The Cannabis Cultivation Privilege Tax imposed by Section 60-10 of the Law is imposed only upon a cultivation center or craft grower *who makes the first sale and is not imposed upon a subsequent purchaser, a dispensing organization, or an infuser. Persons subject to the Tax imposed under the Law may, however, reimburse themselves for their*

Tax liability by separately stating reimbursement for their Tax liability as an additional charge. [410 ILCS 705/60-10(b)]

Section 422.105 Definitions

"Act" means the Cannabis Regulation and Tax Act [410 ILCS 705].

"Cannabis" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction; however, "cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted from it), fiber, oil or cake, or the sterilized seed of the plant that is incapable of germination. "Cannabis" does not include industrial hemp as defined and authorized under the Industrial Hemp Act [505 ILCS 5] *and cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act* [410 ILCS 130]. *"Cannabis" also means cannabis flower, concentrate, and cannabis-infused products.* [410 ILCS 705/1-10]

"Cannabis business establishment" means a cultivation center, craft grower, processing organization, infuser organization, dispensing organization, or transporting organization. [410 ILCS 705/1-10]

"Cannabis concentrate" means a product derived:

from cannabis that is produced by extracting cannabinoids, including tetrahydrocannabinol (THC), from the plant through the use of:

propylene glycol, glycerin, butter, olive oil or other typical cooking fats;

water, ice, or dry ice; or

butane, propane, CO_2, ethanol, or isopropanol; and

with the intended use of smoking or making a cannabis-infused product. [410 ILCS 705/1-10]

"Cannabis flower" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including:

derivatives or subspecies, such as indica, of all strains of cannabis; and

raw kief, leaves, and buds, but not:

resin that has been extracted from any part of the plant; nor

any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. [410 ILCS 705/1-10]

"Cannabis-infused product" means a beverage, food, oil, ointment, tincture, topical formulation, or another product containing cannabis or cannabis concentrate that is not intended to be smoked. [410 ILCS 705/1-10]

"Craft grower" means a facility operated by an organization or business that is licensed by the Department of Agriculture to cultivate, dry, cure, and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization. A craft grower may contain up to 5,000 square feet of canopy space on its premises for plants in the flowering state. The Department of Agriculture may authorize an increase or decrease of flowering stage cultivation space in increments of 3,000 square feet by rule based on market need, craft grower capacity, and the licensee's history of compliance or noncompliance, with a maximum space of 14,000 square feet for cultivating plants in the flowering stage, which must be cultivated in all stages of growth in an enclosed and secure area. A craft grower may share premises with a processing organization or a dispensing organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees sharing a vault share more than 50% of the same ownership. [410 ILCS 705/1-10]

"Cultivation center" means a facility operated by an organization or business that is licensed by the Department of Agriculture to cultivate, process, transport (unless otherwise limited by the Act), and perform other necessary activities to provide cannabis and cannabis-infused products to cannabis business establishments. [410 ILCS 705/1-10]

"Cultivator" or "Taxpayer" means a cultivation center or craft grower who is subject to Tax under this Part. [410 ILCS 705/60-5]

"Department" means the Department of Revenue. [410 ILCS 705/60-5]

"Director" means the Director of Revenue. [410 ILCS 705/60-5]

"Dispensary" means a facility operated by a dispensing organization at which activities licensed by the Act may occur. [410 ILCS 705/1-10]

"Dispensing organization" means a facility operated by an organization or business that is licensed by the Department of Financial and Professional Regulation to acquire cannabis from a cultivation center, craft grower, processing organization, infuser, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under the Act to purchasers or to qualified registered medical cannabis patients and caregivers. As used in the Act, dispensing organization includes a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Program Act or its successor Act that has obtained an Early Approval Adult Use Dispensing Organization License. [410 ILCS 705/1-10]

"Gross receipts" from the sales of cannabis by a cultivator means the total selling price or the amount of such sales, as defined in this Section. In the case of charges and time sales, the amount thereof shall be included only when payments are received by the cultivator. [410 ILCS 705/60-5]

"Infuser organization" or "Infuser" means a facility operated by an organization or business that is licensed by the Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product. [410 ILCS 705/1-10]

"Law" means the Cannabis Cultivation Privilege Tax Law [410 ILCS 705/Art.60].

"Person" means:

a 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. [410 ILCS 705/60-5]

"Selling price" or "Amount of sale" means the consideration for a sale valued in money, whether received in money or otherwise, including cash, credits, property, and services, 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 separately stated charges identified on the invoice by cultivators to reimburse themselves for their Tax liability. [410 ILCS 705/60-5]

"Tax" means the Cannabis Cultivation Privilege Tax created by Article 60 of the Act.

Section 422.110 Tax Imposed

a) *Beginning September 1, 2019, the Tax is imposed upon the privilege of cultivating cannabis at the rate of 7% of the gross receipts from the first sale of cannabis by a cultivator.* [410 ILCS 705/60-10(a)]

EXAMPLE 1: A cultivator grows cannabis and sells the grown cannabis to an infuser for $200. The cultivator owes $14 in Tax on the cannabis sold to the infuser.

EXAMPLE 2: A craft grower grows cannabis and sells 100 quarter ounces of the grown cannabis to a cultivator for $5000. The craft grower is liable for Tax in the amount of $350. The cultivator subsequently sells 50 quarter ounces of this cannabis to a dispensary for $55 per quarter ounce. The cultivator has no Tax liability on the sale of cannabis to the dispensary.

b) *The sale of any product by a cultivator that contains any amount of cannabis or any derivative thereof is subject to the Tax on the full selling price of the product.* [410 ILCS 705/60-10(a)]

EXAMPLE 1: A cultivator grows cannabis and sells the cannabis for $200 to an infuser. The cultivator has $14 in Tax liability on the sale of the cannabis to the infuser. The infuser creates cannabis-infused products and sells the products to a dispensary. The infuser has no Tax liability.

EXAMPLE 2: A cultivator grows cannabis, processes a pound of cannabis into cannabis-infused products, and sells the cannabis-infused products to a dispensary for $500. It normally sells the cannabis at wholesale for $200 an ounce. The cultivator has $35 ($500 x .07) in Tax liability on the sale of the cannabis-infused products to the dispensary.

c) It shall be presumed that all sales of cannabis are subject to Tax until the contrary is established, and the burden of proving that a transaction is not taxable shall be upon the cultivator.

d) In computing Tax liability, no deductions shall be made by a taxpayer from gross receipts or selling prices on account of the cost of property sold, the cost of materials used, labor or service costs, incoming freight or transportation costs, overhead costs, processing charges, salesmen's commissions, interest paid by the taxpayer, or any other expenses whatsoever. Costs of doing business are an element of the cultivator's gross receipts and are subject to the Tax even if separately stated on the bill to the customer. (See 86 Ill. Adm. Code 130.415 for rules regarding the treatment of transportation and the delivery charges.)

EXAMPLE: A cultivation center sells 500 ounces of cannabis to a dispensing organization for $100,000, plus a delivery charge of $250 and a fuel surcharge of $50. The fuel surcharge is a cost of doing business and is part of the selling price. The cultivation center delivers the cannabis to the dispensing organization. The cultivation center does not provide the dispensing organization with the option to pick up the cannabis. As a result, the cost of the delivery service is part of the selling price of the cannabis. The selling price for purposes of determining the Tax is $100,300.

e) The Tax is computed on the selling price of the cannabis after the application of any applicable discounts.

EXAMPLE: A cultivation center sells 500 ounces of cannabis to a dispensing organization for $200 an ounce. The cultivation center provides a nondiscriminatory 10% discount for sales over 300 ounces. The total price with the discount is $90,000. The Tax is computed on the gross receipts of $90,000.

f) *The Department may determine the selling price of the cannabis when the seller and purchaser are affiliated persons, when the sale and purchase of cannabis is not an arm's length transaction, or when cannabis is transferred by a cultivator to the cultivator's dispensing organization or infuser and a value is not established for the cannabis. The value determined by the Department shall be commensurate with the actual price received for products of like quality, character, and use in the area. If there are no sales of cannabis of like quality, character, and use in the same area, then the Department shall establish a reasonable value based on sales of products of like quality, character, and use in other areas of the State, taking into consideration any other relevant factors.* [410 ILCS 705/60-10(a)]

g) *The Tax is solely the responsibility of the cultivator who makes the first sale and is not the responsibility of a subsequent purchaser, a dispensing organization, or an infuser. Cultivators subject to the Tax may, however, reimburse themselves for their Tax liability under this Part by separately stating reimbursement for their Tax liability as an additional charge.* [410 ILCS 705/60-10(b)] The charge for reimbursement may not be identified on the invoice as a tax.

h) *A cultivator may not either directly or indirectly discriminate in price between different cannabis business establishments that are purchasing a like grade, strain, brand, and quality of cannabis or cannabis-infused product. Nothing in this subsection (h) prevents a cultivator from pricing cannabis differently based on differences in the cost of manufacturing or processing, the quantities sold, such as volume discounts, or the way the products are delivered.* [410 ILCS 705/20-30(e) and 30-30(f)]

i) *The Tax shall be in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any unit of local government.* [410 ILCS 705/60-10(c)]

Section 422.115 Returns and Payment of Tax

a) *Each person who is required to pay the Tax imposed by the Law shall make a return to the Department on or before the 20th day of each month for the preceding calendar month stating the following:*

1) *the taxpayer's name;*

2) *the address of the taxpayer's principal place of business and the address of the principal place of business (if that is a different address) from which the taxpayer is engaged in the business of cultivating cannabis subject to the Tax;*

3) *the total amount of receipts received by the taxpayer during the preceding calendar month, from sales of cannabis subject to the Tax, by the taxpayer during the preceding calendar month;*

4) *the total amount received by the taxpayer during the preceding calendar month, on charge and time sales of cannabis subject to the Tax, by the taxpayer before the month for which the return is filed;*

5) *deductions allowed by law;*

6) *gross receipts that were received by the taxpayer during the preceding calendar month and upon the basis of which the Tax is imposed;*

7) *the amount of Tax due;*

8) *the signature of the taxpayer; and*

9) *any other information the Department may reasonably require.*

b) *All returns required to be filed and payments required to be made under the Law shall be by electronic means. Taxpayers who demonstrate hardship in paying electronically may petition the Department to waive the electronic payment requirement.* Taxpayers may not petition the Department for a waiver of the requirement to file all returns by electronic means.

c) *The taxpayer making the return provided for in this Section shall also pay to the Department, in accordance with this Section, the amount of Tax, less a discount of 1.75%, but not to exceed $1,000 per return period, which is allowed to reimburse*

the taxpayer for the expenses incurred in keeping records, collecting Tax, preparing and filing returns, remitting the Tax, and supplying data to the Department upon request. No discount may be claimed by a taxpayer on returns not timely filed and for taxes not timely remitted. No discount may be claimed by a taxpayer for any return that is not filed electronically. No discount may be claimed by a taxpayer for any payment that is not made electronically, unless a waiver has been granted under subsection (b).

d) *Any amount that is required to be shown or reported on any return or other document under the Law shall, if the amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount if the fractional part of a dollar is $0.50 or more and decreased to the nearest whole-dollar amount if the fractional part of a dollar is less than $0.50. If a total amount of less than $1 is payable, refundable, or creditable, the amount shall be disregarded if it is less than $0.50 and shall be increased to $1 if it is $0.50 or more.*

e) *Notwithstanding any other provision of the Law concerning the time within which a taxpayer may file a return, any taxpayer who ceases to engage in the kind of business that makes the person responsible for filing returns under the Law shall file a final return under the Law with the Department within one month after discontinuing business.*

f) *Each taxpayer under the Law shall make estimated payments to the Department on or before the 7th, 15th, 22nd, and last day of the month during which Tax liability to the Department is incurred. The payments shall be in an amount not less than the lower of either 22.5% of the taxpayer's actual Tax liability for the month or 25% of the taxpayer's actual Tax 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. If any quarter-monthly payment is not paid at the time or in the amount required by this subsection, 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 the 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 subsection.*

g) *If any payment provided for in this Section exceeds the taxpayer's liabilities under the Law, 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 the credit memorandum may be assigned by the taxpayer to a similar taxpayer under the Law, in accordance with 86 Ill. Adm. Code 130.1505. If no such request is made, the taxpayer may credit the excess payment against Tax liability subsequently to be remitted to the Department under the Law. 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, if necessary, to reflect the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on the difference.

h) *If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department is received by the taxpayer, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.* [410 ILCS 705/60-20]

Section 422.120 Infuser Information Returns and Books and Records

a) Upon request of the Department, an infuser shall file an information return with the Department, no later than the 20th day of the month for the preceding month, by electronic means and in a format prescribed by the Department, showing the names of the suppliers of cannabis and cannabis concentrates, the suppliers' license numbers issued by the Department of Agriculture, the quantities purchased from suppliers, the amounts paid for cannabis and cannabis concentrate during the preceding month, and such other information as is reasonably required by the Department.

b) Upon request of the Department, an infuser shall file an information return with the Department, no later than the 20th day of the month for the preceding month, by electronic means, showing the total amount of cannabis-infused products sold to dispensaries; the gross receipts from the sale of cannabis-infused products sold to dispensaries during the preceding month; the identities of the dispensaries to whom it was sold; the dispensaries' license numbers issued by the Department of Financial and Professional Regulation; and such other information reasonably required by the Department.

c) Every infuser shall keep books and records of all purchases of cannabis and cannabis concentrate, all sales of cannabis-infused products, together with invoices, bills of lading, sales records, copies of bills of sale, monthly inventories,

inventories prepared as of December 31 of each year, and other pertinent papers and documents.

d) All books and records and other papers and documents that are required to be maintained by this Section shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees.

Section 422.125 Registration of Cultivators

a) It shall be unlawful for any cultivator to engage in the business of selling cannabis to cannabis business establishments in this State without a certificate of registration from the Department. *Every cultivator and craft grower subject to the Tax under the Law shall apply to the Department for a certificate of registration under the Law. All applications for registration under the Law shall be made by electronic means.* [35 ILCS 705/60-15]

b) Each application shall be signed and verified and shall state:

1) the name and social security number of the applicant;

2) the address of the cultivator's principal place of business;

3) the address of the place of business from which the cultivator engages in the business of selling cannabis 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 the cultivator engages in the business of selling cannabis 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 the Law (see 35 ILCS 735/3-7);

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 the Law; 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 of each manager and member; and

7) any other information as the Department may reasonably require.

c) Upon completion, in proper form, of the application for certificate of registration, the Department shall issue to the applicant a certificate of registration that shall permit the person to whom it is issued to engage in business as a cultivator of cannabis in this State. If an applicant engages in the business of cultivating cannabis at another location in this State, the Department shall furnish him or her with a sub-certificate of registration for that place of business, and the applicant shall display the appropriate sub-certificate of registration at that place of business. The sub-certificate of registration shall bear the same registration number as that appearing upon the certificate of registration to which the sub-certificate relates. *No certificate of registration shall be issued under the Law unless the applicant has obtained a license from the Department of Agriculture under the Act.* [35 ILCS 705/60-15]

d) A certificate of registration shall automatically be renewed, subject to revocation as provided by the Law and Section 422.130, for an additional 1 year from the date of its expiration, unless otherwise notified by the Department as provided by this Section.

e) The Department may require an applicant for a certificate of registration, at the time of filing the application, to furnish a bond. No certificate of registration under the Law will be issued by the Department until the applicant provides the Department with satisfactory security, if required.

f) *The Department may refuse to issue, reissue, or renew a certificate of registration authorized to be issued by the Department if a person who is named as the owner, a partner, a corporate officer, or, in the case of a limited liability company, a manager or member, of the applicant on the application for the certificate of registration is or has been named as the owner, a partner, a corporate officer, or, in the case of a limited liability company, a manager or member, on the application for the certificate of registration of a person that is in default for moneys due under the Law or any other tax or fee Act administered by the Department. For purposes of this Section 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 refusal to issue or reissue the certificate of registration, permit, or license. [20 ILCS 2505/2505-380(b)]

g) When a taxpayer to whom a certificate of registration is issued under the Law is in default to the State of Illinois for delinquent returns or for moneys due under the Law 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 of the certificate of registration, give notice to the taxpayer to whom the certificate was issued:

1) of the account period of the delinquent returns;

2) of the amount of tax, penalty and interest due and owing from the taxpayer; and

3) 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.

h) The Department may, in its discretion, approve renewal by a taxpayer who is in default if, at the time of renewal, the taxpayer files all of the delinquent returns or pays to the Department the percentage of the defaulted amount as may be determined by the Department and agrees in writing to a payment plan for paying the balance of the defaulted amount.

i) Any person aggrieved by any decision of the Department under this Section may, within 20 days after notice of the decision, protest and request a hearing. After receipt of the request for a hearing, the Department shall give notice to the person of the time and place fixed for the hearing, shall hold a hearing, and shall issue its final administrative decision in the matter to the person. In the absence of a protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

j) The Department shall notify the Department of Agriculture upon a decision under the Law not to issue, reissue or renew a certificate of registration to a cultivator.

Section 422.130 Revocation of Certificate of Registration

a) *The Department has the power, after notice and an opportunity for a hearing, to revoke a certificate of registration issued by the Department if the holder of the certificate of registration fails to file a return, or to pay the tax, fee, penalty, or interest shown in a filed return, or to pay any final assessment of tax, fee, penalty, or interest, as required by the Law or any other tax or fee Act administered by the Department.* [20 ILCS 2505/2505-380(a)]

b) The Department, after notice and hearing, shall revoke the certificate of registration (including all sub-certificates of registration, if any, issued under Section 422.125) of any cultivator who violates any of the provisions of the Law or this Part. 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 cultivator 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 the 90-day period shall not preclude the Department from conducting revocation proceedings at a later date if necessary.

c) The Department shall notify the Department of Agriculture upon revocation of a certificate of registration issued to a cultivator.

d) *No certificate of registration can be issued under the Law unless the cultivator is licensed by the Department of Agriculture under the Act*. [410 ILCS 705/60-15] If the Department receives notice that a license issued to a cultivator by the Department of Agriculture under the Act has been revoked, the Department shall commence proceedings to revoke the cultivator's certificate of registration.

Section 422.135 Books and Records

a) *Every cultivator shall keep books and records of all sales of cannabis, together with invoices, bills of lading, sales records, copies of bills of sale, monthly inventories, inventories prepared as of December 31 of each year, and other pertinent papers and documents.* [35 ILCS 120/7]

b) *All books and records and other papers and documents that are required by this Section and the Law to be kept shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees.* [35 ILCS 120/7] Records shall be maintained at the physical location of the cultivator. All books and records kept by a cultivator pursuant to rules adopted by the Department of

Agriculture to implement the Act shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. The Department shall also have access to the cultivator's automated data processing and/or point of sale system.

c) *Books and records and other papers reflecting gross receipts received during any period with respect to which the Department is authorized to issue notices of Tax liability shall, for purposes of this Part, be preserved until the expiration of that period unless the Department, in writing, authorizes their destruction or disposal prior to that expiration. The Department will not issue a notice of Tax liability on and after each July 1 and January 1 covering gross receipts received during any month or period of time more than 3 years prior to that July 1 and January 1, respectively.* [35 ILCS 120/7] However, if the Department allows a cultivator to destroy books and records prior to the expiration of the preservation period, the cultivator is not relieved of any obligation to maintain books and records under any rule or regulation adopted by another State agency to implement the Act.

d) Penalties

1) *Any cultivator who fails to keep books and records or fails to produce books and records for examination, as required by this Section, is liable to pay to the Department, for deposit into the Tax Compliance and Administration Fund, a penalty of:*

A) *$1,000 for the first failure to keep books and records or produce books and records for examination; and*

B) *$3,000 for each subsequent failure to keep books and records or produce books and records for examination.*

2) *The penalties imposed under this subsection (d) shall not apply if the taxpayer shows that he or she acted with ordinary business care and prudence.* [35 ILCS 120/7]

Section 422.140 Invoices Issued by a Cultivator

Every sales invoice for cannabis issued by a cultivator to a cannabis business establishment shall contain the cultivator's certificate of registration number assigned under the Law, date, invoice number, purchaser's name and address, selling price, and the amount of cannabis,

concentrate, or cannabis-infused product. Cultivators shall retain a copy of the invoices for inspection by the Department. [410 ILCS 705/60-40]

Section 422.145 Penalties and Interest

a) All provisions of the Uniform Penalty and Interest Act [35 ILCS 735] that are not inconsistent with the Law shall apply.

b) The penalties contained in Section 13 of the Retailers' Occupation Tax Act [35 ILCS 120] that are not inconsistent with the Law shall apply.

Section 422.150 Administration and Enforcement

a) *The Department shall have full power to:*

1) *administer and enforce the Law;*

2) *collect all Taxes, penalties, and interest due under the Law;*

3) *submit to the State Treasurer, for deposit in the Local Cannabis Retailers' Occupation Tax Trust Fund, all Taxes, penalties and interest collected under the Law,* excluding those described in Section 422.135(d); *and*

4) *determine all rights to credit memoranda, arising on account of the erroneous payment of tax, penalty, or interest under the Law.*

b) *In the administration of, and compliance with, the Law, the Department and persons who are subject to the Law 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, 2-40, 2a, 2b, 2i, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and all of the provisions of the Uniform Penalty and Interest Act, that are not inconsistent with the Law, as fully as if those provisions were set forth in the Law. For purposes of this Section, references in the Retailers' Occupation Tax Act to a "sale of tangible personal property at retail" mean the "sale of cannabis by a cultivator".* [410 ILCS 705/60-35]

c) To avoid needless repetition, the substance and provisions of all Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) that are not incompatible with the Law or any special rules that may be promulgated by the Department under the Law will apply in implementation of the Law.

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

1) Heading of the Part: Cannabis Purchaser Excise Tax

2) Code Citation: 86 Ill. Adm. Code 423

3)

Section Numbers:	Proposed Actions:
423.100	New Section
423.105	New Section
423.110	New Section
423.115	New Section
423.120	New Section
423.125	New Section
423.130	New Section
423.135	New Section
423.140	New Section
423.145	New Section
423.150	New Section
423.155	New Section
423.160	New Section
423.165	New Section
423.170	New Section
423.175	New Section

4) Statutory Authority: 410 ILCS 705/65-50

5) A Complete Description of the Subjects and Issues Involved: The rulemaking implements PA 101-27, codified at 410 ILCS 705/. Beginning January 1, 2020, a tax is imposed upon purchasers for the privilege of using cannabis at the following rates: 1) any cannabis, other than a cannabis-infused product, with an adjusted delta-9-tetrahydrocannabinol level at or below 35% shall be taxed at a rate of 10% of the purchase price; 2) any cannabis, other than a cannabis-infused product, with an adjusted delta-9-tetrahydrocannabinol level above 35% shall be taxed at a rate of 25% of the purchase price; and 3) a cannabis-infused product shall be taxed at a rate of 20% of the purchase price.

6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None

7) Will this rulemaking replace an emergency rule currently in effect? Yes

DEPARTMENT OF REVENUE

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8) Does this rulemaking contain an automatic repeal date? No

9) Does this rulemaking contain incorporations by reference? Yes. To avoid needless repetition, the substance and provisions of all Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) which are not incompatible with the Cannabis Cultivation Purchaser Excise Tax Law or the proposed rules are referenced. 86 Ill. Adm. Code 422.150(c).

10) Are there any other rulemakings pending on this Part? No

11) Statement of Statewide Policy Objective: This rulemaking does not create a State mandate, nor does it modify any existing State mandates.

12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Richard S. Wolters
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield IL 62794

217/782-2844

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: Businesses licensed under the Cannabis Regulation and Tax Act by the Department of Professional and Financial Regulation to sell cannabis at retail to persons 21 years of age or older.

B) Reporting, bookkeeping or other procedures required for compliance: General bookkeeping, accounting and computer skills

C) Types of professional skills necessary for compliance: General bookkeeping, accounting and computer skills

14) Small Business Impact Analysis: The rulemaking will not have an impact on small businesses.

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

15) Regulatory Agenda on which this rulemaking was summarized: January 2020

The full text of the Proposed Rules begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 423
CANNABIS PURCHASER EXCISE TAX

Section
423.100 Nature of the Tax
423.105 Definitions
423.110 Tax Imposed
423.115 Bundling of Taxable and Nontaxable Items; Prohibition; Taxation
423.120 Collection of Tax
423.125 Tax Collected as a Debt Owed the State
423.130 Return and Payment of Tax by Cannabis Retailer
423.135 Registration of Cannabis Retailers
423.140 Revocation of Certificate of Registration
423.145 Books and Records
423.150 Arrest; Search and Seizure Without a Warrant
423.155 Seizure and Forfeiture
423.160 Search Warrant; Issuance and Return; Process; Confiscation of Cannabis; Forfeitures
423.165 Violations and Penalties; Interest
423.170 Cannabis Retailers; Purchase and Possession of Cannabis
423.175 Administration and Enforcement

AUTHORITY: Implementing Article 65 of the Cannabis Regulation and Tax Act (Cannabis Purchaser Excise Tax Law) [410 ILCS 705].

SOURCE: Emergency rule adopted at 44 Ill. Reg. 612, effective December 27, 2019, for a maximum of 180 days; adopted at 44 Ill. Reg. _____, effective _____.

Section 423.100 Nature of the Tax

a) *Beginning January 1, 2020, the Cannabis Purchaser Excise Tax Law imposes a tax on the privilege of using cannabis in this State based on the purchase price of cannabis sold by a dispensary to a purchaser for use and consumption.* [410 ILCS 705/65-10(a)]. The Tax imposed by the Law is collected from the purchaser by the cannabis retailer. The Tax imposed by the Law shall be stated

on the invoice as a distinct item separate and apart from the purchase price of the cannabis.

b) *The Tax imposed under the Law is in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof* [410 ILCS 705/65-10(d)].

Section 423.105 Definitions

"Act" means the Cannabis Regulation and Tax Act. [410 ILCS 705]

"Adjusted delta-9-tetrahydrocannabinol level" means, for a delta-9-tetrahydrocannabinol dominant product, the sum of the percentage of delta-9-tetrahydrocannabinol plus .877 multiplied by the percentage of tetrahydrocannabinolic acid. [410 ILCS 705/65-5]

"Automated sales suppression device" or "zapper" means a software program that falsifies the electronic records of an electronic cash register or other point-of-sale system, including, but not limited to, transaction data and transaction reports. The term includes the software program, any device that carries the software program, or an Internet link to the software program. [410 ILCS 705/65-38]

"Cannabis" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction; however, "cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted from it), fiber, oil or cake, or the sterilized seed of the plant that is incapable of germination. "Cannabis" does not include industrial hemp as defined and authorized under the Industrial Hemp Act [505 ILCS 5] *and cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act* [410 ILCS 130]. *"Cannabis" also means*

cannabis flower, concentrate, and cannabis-infused products. [410 ILCS 705/1-10]

"Cannabis business establishment" means a cultivation center, craft grower, infuser organization, processing organization, dispensing organization, or transporting organization. [410 ILCS 705/1-10]

"Cannabis concentrate" means a product derived:

from cannabis that is produced by extracting cannabinoids, including tetrahydrocannabinol (THC), from the plant through the use of:

propylene glycol, glycerin, butter, olive oil or other typical cooking fats;

water, ice, or dry ice; or

butane, propane, CO_2, ethanol, or isopropanol; and

with the intended use of smoking or making a cannabis-infused product. [410 ILCS 705/1-10]

"Cannabis flower" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including:

derivatives or subspecies, such as indica, of all strains of cannabis; and

raw kief, leaves, and buds, but not:

resin that has been extracted from any part of the plant; nor

any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. [410 ILCS 705/1-10]

"Cannabis-infused product" means beverage, food, oils, ointments, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked. [410 ILCS 705/65-5]

"Cannabis Purchaser Excise Tax" or "Tax" means the tax imposed by Section 65-10 of the Law.

"Craft grower" means a facility operated by an organization or business that is licensed by the Department of Agriculture to cultivate, dry, cure, and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization. A craft grower may contain up to 5,000 square feet of canopy space on its premises for plants in the flowering state. The Department of Agriculture may authorize an increase or decrease of flowering stage cultivation space in increments of 3,000 square feet by rule based on market need, craft grower capacity, and the licensee's history of compliance or noncompliance, with a maximum space of 14,000 square feet for cultivating plants in the flowering stage, which must be cultivated in all stages of growth in an enclosed and secure area. A craft grower may share premises with a processing organization or a dispensing organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees sharing a vault share more than 50% of the same ownership. [410 ILCS 705/1-10]

"Cannabis retailer" means a dispensing organization that sells cannabis for use and not for resale. [410 ILCS 705/65-5]

"Department" means the Department of Revenue. [410 ILCS 705/65-5]

"Dispensary" means a facility operated by a dispensing organization at which activities licensed by the Act may occur. [410 ILCS 705/1-10]

"Dispensing organization" means a facility operated by an organization or business that is licensed by the Department of Financial and Professional Regulation to acquire cannabis from a cultivation center, craft grower, processing organization, infuser, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under the Act to purchasers or to qualified registered medical cannabis patients and caregivers. As used in the Act, dispensing organization includes a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Program Act or its successor Act that has obtained an Early Approval Adult Use Dispensing Organization License. [410 ILCS 705/1-10]

"Electronic cash register" means a device that keeps a register or supporting documents through the use of an electronic device or computer system designed to record transaction data for the purpose of computing, compiling, or processing retail sales transaction data in any manner. [410 ILCS 705/65-38]

"Infuser organization" or "infuser" means a facility operated by an organization or business that is licensed by the Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product. [410 ILCS 705/65-5]

"Law" means the Cannabis Purchaser Excise Tax Law [410 ILCS 705/Art. 65].

"Person" means:

a 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. [410 ILCS 705/65-5]

"Phantom-ware" means a hidden programming option embedded in the operating system of an electronic cash register or hardwired into an electronic cash register that can be used to create a second set of records or that can eliminate or manipulate transaction records in an electronic cash register. [410 ILCS 705/65-38]

"Purchase price":

means the consideration paid for a purchase of cannabis, 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.

However, "purchase price" does not include consideration paid for:

any charge for a payment that is not honored by a financial institution;

any finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment; and

any amounts added to a purchaser's bill because of charges made under the tax imposed by the Law, the Municipal Cannabis Retailers' Occupation Tax Law [65 ILCS 5/8-11-23], *the County Cannabis Retailers' Occupation Tax Law* [55 ILCS 5/5-1006.8], *the Retailers' Occupation Tax Act* [35 ILCS 120], *the Use Tax Act* [35 ILCS 105], *the Service Occupation Tax Act* [35 ILCS 115], *the Service Use Tax Act* [35 ILCS 110], *or any locally imposed occupation or use tax.* [410 ILCS 705/65-5]

"Purchaser" means a person who acquires cannabis for a valuable consideration. [410 ILCS 705/65-5]

"Taxpayer" means a cannabis retailer who is required to collect the Tax imposed under the Law. [410 ILCS 705/65-5]

"Transaction data" includes:

items purchased by a purchaser;

the price of each item;

a taxability determination for each item;

a segregated tax amount for each taxed item;

the amount of cash or credit tendered;

the net amount returned to the customer in change;

the date and time of the purchase;

the name, address, and identification number of the vendor; and

the receipt or invoice number of the transaction. [410 ILCS 705/65-38]

"Transaction report" means a report that documents, without limitation, the sales, taxes, or fees collected, media totals, and discount voids at an electronic cash register and that is printed on a cash register tape at the end of a day or shift, or a report that documents every action at an electronic cash register and is stored electronically. [410 ILCS 705/65-38]

Section 423.110 Tax Imposed

a) *Beginning January 1, 2020, a tax is imposed upon purchasers for the privilege of using cannabis at the following rates:*

1) *Any cannabis, other than a cannabis-infused product, with an adjusted delta-9-tetrahydrocannabinol level at or below 35% shall be taxed at a rate of 10% of the purchase price;*

2) *Any cannabis, other than a cannabis-infused product, with an adjusted delta-9-tetrahydrocannabinol level above 35% shall be taxed at a rate of 25% of the purchase price; and*

3) *A cannabis-infused product shall be taxed at a rate of 20% of the purchase price.* [410 ILCS 705/65-10]

b) *The purchase of any product that contains any amount of cannabis or any derivative thereof is subject to the Tax on the full purchase price of the product.*

EXAMPLE: A dispensary sells a cannabis-infused product that contains ⅛ ounce of cannabis for $80. One-eighth of an ounce of cannabis normally sells for $30. The dispensary must collect $16 in Tax on the sales price of the infused product ($80 x .2 = $16).

c) *The Tax is not imposed on cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act.*

d) *The Tax is not imposed with respect to any transaction in interstate commerce, to the extent the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.*

e) *The Tax shall not be imposed on any purchase by a purchaser if the cannabis retailer is prohibited by federal or State Constitution, treaty, convention, statute,*

or court decision from collecting the Tax from the purchaser. [410 ILCS 705/65-10]

Section 423.115 Bundling of Taxable and Nontaxable Items; Prohibition; Taxation

a) The Act prohibits dispensing organizations from *selling cannabis, cannabis-infused products, and concentrates in combination or bundled with each other or any other items for one price.* [410 ILCS 705/15-70(n)(17)]

1) *If a cannabis retailer sells cannabis, concentrate, or cannabis-infused products in combination or bundled with items that are not subject to the Tax under the Law for one price in violation of the prohibition on this activity under Section 15-70 of the Act, then the Tax is imposed on the purchase price of the entire bundled product.* [410 ILCS 705/65-11]

2) The tax rate applicable to the entire bundle shall be determined as follows:

A) A retailer must aggregate all cannabis items in the bundle that are taxed at the same rate (i.e., 10%, 20%, 25%).

B) The retailer must calculate the total selling price for all cannabis products in each tax rate group.

C) The tax rate attributable to the tax rate group with the highest selling price shall be applied to all cannabis products in the bundle.

EXAMPLE: A dispensary makes gift baskets that contain a ¼ ounce of cannabis with less than with less than 35% THC that normally sells for $65, a pipe that normally sells for $15, 4 cannabis-infused pods that normally sell for a total of $40, and an electronic device the pods can be used with that normally sells for $45. The dispensary offers the basket for $135. The Tax is imposed at the rate of 10% on the purchase price of $135.

b) *Each item of cannabis, concentrate and cannabis-infused product must be separately identified by quantity and price on the receipt.* [410 ILCS 705/15-70(n)(17)]

Section 423.120 Collection of Tax

a) *The Tax imposed by the Law shall be collected from the purchaser by the cannabis retailer at the rate stated in Section 423.110 with respect to cannabis sold by the cannabis retailer to the purchaser, and shall be remitted to the Department as provided in Section 423.130. All sales to a purchaser who is not a cardholder under the Compassionate Use of Medical Cannabis Program Act are presumed subject to Tax collection. Cannabis retailers shall collect the Tax from purchasers by adding the Tax to the amount of the purchase price received from the purchaser for selling cannabis to the purchaser*. [410 ILCS 705/65-15]

b) When a cannabis retailer collects the Tax from the purchaser, the cannabis retailer shall give the purchaser a receipt. The receipt must show the name and address of the cannabis retailer, the date of the purchase, a brief description of the property sold, the amount of the purchase price on which the Tax is based, and the amount of Tax collected stated as a distinct item separate and apart from the purchase price of the property sold.

c) *If a cannabis retailer collects the Tax measured by a purchase price that is not subject to the Tax, or if a cannabis retailer, in collecting the Tax measured by a purchase price that is subject to the Tax, collects more from the purchaser than the required amount of the Tax on the transaction, the purchaser shall have a legal right to claim a refund of that amount from the cannabis retailer. If, however, that amount is not refunded to the purchaser for any reason, the cannabis retailer is liable to pay that amount to the Department.*

d) *Any person purchasing cannabis subject to the Tax as to which there has been no charge made to him or her of the Tax shall make payment of the Tax in the form and manner provided by the Department not later than the 20th day of the month following the month of purchase of the cannabis.* [410 ILCS 705/65-15]

Section 423.125 Tax Collected as Debt Owed the State

Any cannabis retailer required to collect the Tax imposed by the Law shall be liable to the Department for the Tax, whether or not the Tax has been collected by the cannabis retailer, and any Tax shall constitute a debt owed by the cannabis retailer to this State. To the extent that a cannabis retailer required to collect the Tax has actually collected that Tax, the Tax is held in trust for the benefit of the Department. [410 ILCS 705/65-25]

Section 423.130 Return and Payment of Tax by Cannabis Retailer

a) *Each cannabis retailer that is required or authorized to collect the Tax imposed by the Law shall make a return to the Department, by electronic means, on or before the 20th day of each month for the preceding calendar month stating the following:*

1) *the cannabis retailer's name;*

2) *the address of the cannabis retailer's principal place of business and the address of the principal place of business (if that is a different address) from which the cannabis retailer engaged in the business of selling cannabis subject to the Tax:*

3) *the total purchase price received by the cannabis retailer for cannabis subject to the Tax;*

4) *the amount of the Tax due at each rate;*

5) *the signature of the cannabis retailer; and*

6) *any other information the Department may reasonably require.*

b) *All returns required to be filed and payments required to be made under the Law shall be by electronic means. Cannabis retailers who demonstrate hardship in paying electronically may petition the Department to waive the electronic payment requirement.* Taxpayers may not petition the Department for a waiver of the requirement to file all returns by electronic means.

c) *Any amount that is required to be shown or reported on any return or other document under the Law shall, if the amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount if the fractional part of a dollar is $0.50 or more and decreased to the nearest whole-dollar amount if the fractional part of a dollar is less than $0.50. If a total amount of less than $1 is payable, refundable, or creditable, the amount shall be disregarded if it is less than $0.50 and shall be increased to $1 if it is $0.50 or more.*

d) *The cannabis retailer making the return provided for in this Section shall also pay to the Department, in accordance with this Section, the amount of Tax imposed by the Law, less a discount of 1.75%, but not to exceed $1,000 per return period, which is allowed to reimburse the cannabis retailer for the expenses incurred in*

keeping records, collecting the Tax, preparing and filing returns, remitting the Tax, and supplying data to the Department upon request. No discount may be claimed by a cannabis retailer on returns not timely filed and for taxes not timely remitted. No discount may be claimed by a taxpayer for any return that is not filed electronically. No discount may be claimed by a taxpayer for any payment that is not made electronically, unless a waiver has been granted under subsection (b).

e) *Notwithstanding any other provision of the Law concerning the time within which a cannabis retailer may file a return, any cannabis retailer who ceases to engage in the kind of business that makes the person responsible for filing returns under the Law shall file a final return under the Law with the Department within one month after discontinuing the business.*

f) *Each cannabis retailer shall make estimated payments to the Department on or before the 7th, 15th, 22nd, and last day of the month during which Tax liability to the Department is incurred. The payments shall be in an amount not less than the lower of either 22.5% of the cannabis retailer's actual Tax liability for the month or 25% of the cannabis retailer's actual Tax 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 cannabis retailer's return for that month. If any such quarter-monthly payment is not paid at the time or in the amount required by this subsection, then the cannabis retailer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of the quarter-monthly payment actually and timely paid, except insofar as the cannabis retailer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this subsection.*

g) *If any payment provided for in this Section exceeds the taxpayer's liabilities under the Law, 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 the credit memorandum may be assigned by the taxpayer to a similar taxpayer under the Law, in accordance with reasonable rules to be prescribed by the Department. If no such request is made, the taxpayer may credit the excess payment against the Tax liability subsequently to be remitted to the Department under the Law, in accordance with reasonable rules 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 discount shall be reduced, if necessary, to reflect the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on the difference. If a cannabis retailer fails to sign a return within 30 days after the proper notice and demand for signature by the Department is received by the cannabis retailer, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed. [410 ILCS 705/65-30]

Section 423.135 Registration of Cannabis Retailers

a) It shall be unlawful for any cannabis retailer to engage in the business of selling cannabis at retail in this State without a certificate of registration from the Department. *Every cannabis retailer subject to the Tax under the Law shall apply to the Department for a certificate of registration under the Law. All applications for registration under the Law shall be made by electronic means.* [410 ILCS 705/65-20]

b) Each application shall be signed and verified and shall state:

1) the name and social security number of the applicant;

2) the address of the cannabis retailer's principal place of business;

3) the address of the place of business from which the cannabis retailer engages in the business of selling cannabis 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 the cannabis retailer engages in the business of selling cannabis 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 (see 35 ILCS 735/3-7);

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; 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 of each manager and member; and

7) any other information as the Department may reasonably require.

c) Upon completion, in proper form, of the application for certificate of registration, the Department shall issue to the applicant a certificate of registration that shall permit the person to whom it is issued to engage in the business as a retailer of cannabis in this State. If an applicant engages in the business of selling cannabis at retail at another location in this State, the Department shall furnish him or her with a sub-certificate of registration for that place of business, and the applicant shall display the appropriate sub-certificate of registration at that place of business. The sub-certificate of registration shall bear the same registration number as that appearing upon the certificate of registration to which the sub-certificate relates. *No certificate of registration shall be issued under the Law unless the applicant has obtained a license from the Department of Financial and Professional Regulation under the Act.* [35 ILCS 705/65-20]

d) A certificate of registration shall automatically be renewed, subject to revocation as provided by the Law and Section 423.140, for an additional 1 year from the date of its expiration, unless otherwise notified by the Department as provided by this Section.

e) The Department may require an applicant for a certificate of registration to furnish a bond at the time of filing the application. The certificate of registration will not be issued by the Department until the applicant provides the Department with satisfactory security, if required.

f) *The Department may refuse to issue, reissue, or renew a certificate of registration authorized to be issued by the Department if a person who is named as the owner, a partner, a corporate officer, or, in the case of a limited liability company, a manager or member, of the applicant on the application for the certificate of registration is or has been named as the owner, a partner, a corporate officer, or, in the case of a limited liability company, a manager or member, on the application for the certificate of registration of a person that is in default for moneys due under the Law or any other tax or fee Act administered by the Department. For purposes of this Section 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 refusal to issue or reissue the certificate of registration, permit, or license. [20 ILCS 2505/2505-380(b)]

g) When a taxpayer to whom a certificate of registration is issued under the Law is in default to the State of Illinois for delinquent returns or for moneys due under the Law 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 of the certificate of registration, give notice to the taxpayer to whom the certificate was issued:

1) of the account period of the delinquent returns;

2) of the amount of Tax, penalty and interest due and owing from the taxpayer; and

3) 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.

h) The Department may, in its discretion, approve renewal by a taxpayer who is in default if, at the time of renewal, the taxpayer files all of the delinquent returns or pays to the Department the percentage of the defaulted amount as may be determined by the Department and agrees in writing to a payment plan for paying the balance of the defaulted amount.

i) Any person aggrieved by any decision of the Department under this Section may, within 20 days after notice of the decision, protest and request a hearing. After receipt of the request for a hearing, the Department shall give notice to the person of the time and place fixed for the hearing, shall hold a hearing, and shall issue its final administrative decision in the matter to the person. In the absence of a protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

j) The Department shall notify the Department of Financial and Professional Regulation upon a decision under the Law not to issue, reissue or renew a certificate of registration to a cannabis retailer.

Section 423.140 Revocation of Certificate of Registration

a) *The Department has the power, after notice and an opportunity for a hearing, to revoke a certificate of registration issued by the Department if the holder of the certificate of registration fails to file a return, or to pay the Tax, fee, penalty, or interest shown in a filed return, or to pay any final assessment of Tax, fee, penalty, or interest, as required by the Law or any other tax or fee Act administered by the Department.* [20 ILCS 2505/2505-380(a)]

b) The Department, after notice and hearing, shall revoke the certificate of registration (including all sub-certificates of registration, if any, issued under Section 423.135) of any cannabis retailer who violates any of the provisions of the Law. 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 cannabis retailer 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 the 90-day period shall not preclude the Department from conducting revocation proceedings at a later date if necessary.

c) The Department shall notify the Department of Financial and Professional Regulation upon revocation of a certificate of registration issued to a cannabis retailer.

Section 423.145 Books and Records

a) *Every retailer of cannabis, whether or not the retailer has obtained a certificate of registration under Section 423.135, shall keep complete and accurate records of cannabis held, purchased, sold, or otherwise disposed of, and shall preserve and keep all invoices, bills of lading, sales records, and copies of bills of sale, returns, and other pertinent papers and documents relating to the purchase, sale, or disposition of cannabis. These records need not be maintained on the licensed premises but must be maintained in the State of Illinois. However, all original invoices or copies of invoices covering purchases of cannabis must be retained on the licensed premises for a period of 90 days after the purchase, unless the Department has granted a waiver in response to a written request in cases in which records are kept at a central business location within the State of Illinois.* [410 ILCS 705/65-36(a)] If a waiver is granted, the taxpayer must, within a reasonable time after notification by the Department, make all pertinent books, records, papers and documents available at a location within Illinois for the purpose of inspection or audit as the Department may deem necessary.

b) The Department will grant a written waiver under subsection (a) when the cannabis retailer submits a letter to the Department containing:

1) the cannabis retailer's license number and FEIN;

2) the address or addresses of the licensed premises where records are currently maintained;

3) the address of the central location where the cannabis retailer intends to maintain the records; and

4) an acknowledgement by the cannabis retailer that the Department, upon 30 days written notice, may revoke the waiver of the cannabis retailer for one or more licensed premises if the retailer:

A) fails to make records available in accordance with the requirements of this Section and the written waiver; or

B) transfers or sells the licensed premises to another person.

c) *Books, records, papers, and documents that are required by the Law to be kept shall be kept in English language and shall, at all times during the usual business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. The books, records, papers, and documents for any period with respect to which the Department is authorized to issue a notice of Tax liability shall be preserved until the expiration of that period.* [410 ILCS 705/65-36(b)]

d) All books and records kept by a cannabis retailer pursuant to rules adopted by the Department of Financial and Professional Regulation to implement the Act shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. The Department shall also have access to the cannabis retailer's automated data processing and/or point of sale system.

Section 423.150 Arrest; Search and Seizure Without a Warrant

a) *Any duly authorized employee of the Department may:*

1) *arrest without warrant any person committing in his or her presence a violation of any of the provisions of the Law;*

2) *without a search warrant, inspect all cannabis located in any place of business;*

3) *seize any cannabis in the possession of the cannabis retailer in violation of the Act or the Law; and*

4) *seize any cannabis on which the Tax has not been paid.*

b) *The cannabis so seized is subject to confiscation and forfeiture as provided in Sections 423.155 and 423.160.* [410 ILCS 705/65-41]

Section 423.155 Seizure and Forfeiture

a) *After seizing any cannabis as provided in Section 423.150, the Department must hold a hearing and determine whether the retailer was properly registered to sell the cannabis at the time of its seizure by the Department. The Department shall give not less than 20 days' notice of the time and place of the hearing to the owner of the cannabis, if the owner is known, and also to the person in whose possession the cannabis was found, if that person is known and if the person in possession is not the owner of the cannabis. If neither the owner nor the person in possession of the cannabis is known, the Department must cause publication of the time and place of the hearing to be made at least once in each week for 3 weeks successively in a newspaper of general circulation in the county where the hearing is to be held.*

b) *If, as the result of the hearing, the Department determines that the retailer was not properly registered at the time the cannabis was seized, the Department must enter an order declaring the cannabis confiscated and forfeited to the State, to be held by the Department for disposal by it as provided in Section 423.160. The Department must give notice of the order to the owner of the cannabis, if the owner is known, and also to the person in whose possession the cannabis was found, if that person is known and if the person in possession is not the owner of the cannabis. If neither the owner nor the person in possession of the cannabis is known, the Department must cause publication of the order to be made at least*

once in each week for 3 weeks successively in a newspaper of general circulation in the county where the hearing was held. [410 ILCS 705/65-42]

Section 423.160 Search Warrant; Issuance and Return; Process; Confiscation of Cannabis; Forfeitures

a) *If a peace officer of this State or any duly authorized officer or employee of the Department has reason to believe that any violation of the Law or this Part has occurred and that the person violating the law or this Part has in that person's possession any cannabis in violation of the Law or this Part, that peace officer or officer or employee of the Department may file or cause to be filed his or her complaint in writing, verified by affidavit, with any court within whose jurisdiction the premises to be searched are situated, stating the facts upon which the belief is founded, the premises to be searched, and the property to be seized, and procure a search warrant and execute that warrant.*

b) *Upon the execution of the search warrant, the peace officer, or officer or employee of the Department executing the search warrant shall make due return of the warrant to the court issuing the warrant, together with an inventory of the property taken under the warrant. The court must then issue process against the owner of the property if the owner is known; otherwise, process must be issued against the person in whose possession the property is found, if that person is known. In case of inability to serve process upon the owner or the person in possession of the property at the time of its seizure, notice of the proceedings before the court must be given in the same manner as required by the law governing cases of attachment. Upon the return of the process duly served or upon the posting or publishing of notice made, as appropriate, the court or jury, if a jury is demanded, shall proceed to determine whether the property so seized was held or possessed in violation of the Law or this Part. If a violation is found, judgment shall be entered confiscating the property and forfeiting it to the State and ordering its delivery to the Department. In addition, the court may tax and assess the costs of the proceedings.*

c) *When any cannabis has been declared forfeited to the State by the Department, as provided in Section 423.155 and this Section, and when all proceedings for the judicial review of the Department's decision have terminated, the Department shall, to the extent that its decision is sustained on review, destroy or maintain and use the cannabis in an undercover capacity.*

d) *The Department may, before any destruction of cannabis, permit the true holder of trademark rights in the cannabis to inspect the cannabis in order to assist the Department in any investigation regarding the cannabis.* [410 ILCS 705/65-43]

Section 423.165 Violations and Penalties; Interest

a) *When the amount due is under $300, the following are guilty of a Class 4 felony:*

1) *any retailer of cannabis who:*

A) *fails to file a return;*

B) *willfully fails or refuses to make any payment to the Department of the Tax imposed by the Law; or*

C) *files a fraudulent return; or*

2) *any officer or agent of a corporation engaged in the business of selling cannabis to purchasers located in this State who signs a fraudulent return filed on behalf of the corporation; or*

3) *any accountant or other agent who knowingly enters false information on the return of any taxpayer under the Law.*

b) *When the amount due is $300 or more, the following are guilty of a Class 3 felony:*

1) *any retailer of cannabis who files, or causes to be filed, a fraudulent return; or*

2) *any officer or agent of a corporation engaged in the business of selling cannabis to purchasers located in this State who files or causes to be filed or signs or causes to be signed a fraudulent return filed on behalf of the corporation; or*

3) *any accountant or other agent who knowingly enters false information on the return of any taxpayer under the Law.*

c) *Any person who violates any provision of Section 423.135, fails to keep books and records as required under the Law and this Part, or willfully violates this Part is guilty of a Class 4 felony. A person commits a separate offense on each day that he or she engages in business in violation of Section 423.135. If a person fails to produce the books and records for inspection by the Department upon request, a prima facie presumption shall arise that the person has failed to keep books and records as required under the Law and this Part. A person who is unable to rebut this presumption is in violation of the Law and this Part and is subject to the penalties provided in this Section.*

d) *Any person who violates any provision of Section 423.135, fails to keep books and records as required under the Law, or willfully violates a rule of the Department for the administration and enforcement of the Law, is guilty of a business offense and may be fined up to $5,000. If a person fails to produce books and records for inspection by the Department upon request, a prima facie presumption shall arise that the person has failed to keep books and records as required under the Law and this Part. A person who is unable to rebut this presumption is in violation of the Law and this Part and is subject to the penalties provided in this Section. A person commits a separate offense on each day that he or she engages in business in violation of Section 423.135.*

e) *Any taxpayer or agent of a taxpayer who, with the intent to defraud, purports to make a payment due to the Department by issuing or delivering a check or other order upon a real or fictitious depository for the payment of money, knowing that it will not be paid by the depository, is guilty of a deceptive practice in violation of Section 17-1 of the Criminal Code of 2012* [720 ILCS 5].

f) *Any person who fails to keep books and records or fails to produce books and records for inspection, as required by Section 423.145, is liable to pay to the Department, for deposit in the Tax Compliance and Administration Fund, a penalty of:*

1) *$1,000 for the first failure to keep books and records or failure to produce books and records for inspection, as required by Section 423.145; and*

2) *$3,000 for each subsequent failure to keep books and records or failure to produce books and records for inspection, as required by Section 423.145.*

g) *Any person who knowingly acts as a retailer of cannabis in this State without first having obtained a certificate of registration to do so in compliance with Section 423.135 shall be guilty of a Class 4 felony.*

h) *A person commits the offense of tax evasion under the Law when he or she knowingly attempts in any manner to evade or defeat the Tax imposed on him or her or on any other person, or the payment of that Tax, and he or she commits an affirmative act in furtherance of the evasion.*

1) *As used in this Section, "affirmative act in furtherance of the evasion" means an act designed in whole or in part to:*

A) *conceal, misrepresent, falsify, or manipulate any material fact; or*

B) *tamper with or destroy documents or materials related to a person's Tax liability.*

2) *Two or more acts of tax evasion may be charged as a single count in any indictment, information, or complaint and the amount of Tax deficiency may be aggregated for purposes of determining the amount of Tax that is attempted to be, or is, evaded and the period between the first and last acts may be alleged as the date of the offense.*

A) *When the amount of Tax, the assessment or payment of which is attempted to be, or is, evaded, is less than $500, a person is guilty of a Class 4 felony.*

B) *When the amount of Tax, the assessment or payment of which is attempted to be, or is, evaded, is $500 or more but less than $10,000, a person is guilty of a Class 3 felony.*

C) *When the amount of Tax, the assessment or payment of which is attempted to be, or is, evaded, is $10,000 or more but less than $100,000, a person is guilty of a Class 2 felony.*

D) *When the amount of Tax, the assessment or payment of which is attempted to be, or is, evaded, is $100,000 or more, a person is guilty of a Class 1 felony.*

i) *Any person who knowingly sells, purchases, installs, transfers, possesses, uses, or accesses any automated sales suppression device, zapper, or phantom-ware in this State is guilty of a Class 3 felony.*

j) *A prosecution for any act in violation of this Section may be commenced at any time within 5 years of the commission of that act.*

k) *Any person whose principal place of business is in this State and who is charged with a violation under this Section shall be tried in the county where his or her principal place of business is located unless he or she asserts a right to be tried in another venue.*

l) *Except as otherwise provided in this Section, a prosecution for a violation described in this Section may be commenced within 3 years after the commission of the act constituting the violation.* [410 ILCS 705/65-38]

m) All provisions of the Uniform Penalty and Interest Act [35 ILCS 735] that are not inconsistent with the Law shall apply.

Section 423.170 Cannabis Retailers; Purchase and Possession of Cannabis

Cannabis retailers shall purchase cannabis for resale only from cannabis business establishments. [410 ILCS 705/65-45]

Section 423.175 Administration and Enforcement

a) *The Department shall have full power to administer and enforce the Law, to collect all Taxes and penalties due under the Law, 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 the Law.*

b) *In the administration of, and compliance with, the Law, the Department and persons who are subject to the Law 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 2, 3-55, 3a, 4, 5, 7, 10a, 11, 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and Sections 1, 2-12, 2b, 4 (except that the time limitation provisions shall run from the date when the tax is*

due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are received and except that, in the case of a failure to file a return required by the Act, no notice of tax liability shall be issued on and after each July 1 and January 1 covering tax due with that return during any month or period more than 6 years before that July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5j, 6d, 7, 8, 9, 10, 11, and 12 of the Retailers' Occupation Tax Act and all of the provisions of the Uniform Penalty and Interest Act [35 ILCS 735] *that are not inconsistent with the Law, as fully as if those provisions were set forth in the Law. References in the incorporated Sections of the Retailers' Occupation Tax Act and the Use Tax Act to retailers, to sellers, or to persons engaged in the business of selling tangible personal property mean cannabis retailers when used in the Law. References in the incorporated Sections to sales of tangible personal property mean sales of cannabis subject to Tax under the Law when used in the Law.* [410 ILCS 705/65-40]

c) To avoid needless repetition, the substance and provisions of all Use Tax Regulations (86 Ill. Adm. Code 150) and all Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) that are not incompatible with the Cannabis Purchaser Excise Tax Law, or any special rules that may be promulgated by the Department under the Law, will apply in implementation of the Law.

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

1) Heading of the Part: County Cannabis Retailers' Occupation Tax

2) Code Citation: 86 Ill. Adm. Code 424

3)

Section Numbers:	Proposed Actions:
424.100	New Section
424.105	New Section
424.110	New Section
424.115	New Section
424.120	New Section
424.125	New Section
424.130	New Section
424.135	New Section
424.140	New Section
424.145	New Section
424.150	New Section
424.155	New Section

4) Statutory Authority: 55 ILCS 5/5-1006.8

5) A Complete Description of the Subjects and Issues Involved: The rulemaking implements PA 101-27, in part, codified at 55 ILCS 5/5-1006.8, and PA 101-363. On or 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. If imposed, the tax shall be imposed only in 0.25% increments. The tax rate may not exceed: 1) 3.75% of the gross receipts of sales made in unincorporated areas of the county; and 2) 3% of the gross receipts of sales made in a municipality located in the county. The tax is imposed on the full selling price of the product. The tax is not imposed on cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act.

6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None

7) Will this rulemaking replace an emergency rule currently in effect? No

8) Does this rulemaking contain an automatic repeal date? No

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

9) Does this rulemaking contain incorporations by reference? Yes. To avoid needless repetition, the substance and provisions of all Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) which are not incompatible with the Cannabis Cultivation Privilege Tax Law or the proposed rules are referenced. 86 Ill. Adm. Code 422.150(c).

10) Are there any other rulemakings pending on this Part? No

11) Statement of Statewide Policy Objective: This rulemaking does not create a State mandate, nor does it modify any existing State mandates.

12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Richard S. Wolters
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield IL 62794

217/782-2844

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: Businesses licensed under the Cannabis Regulation and Tax Act by the Department of Professional and Financial Regulation to sell cannabis to persons 21 years of age or older

B) Reporting, bookkeeping or other procedures required for compliance: General bookkeeping, accounting and computer skills

C) Types of professional skills necessary for compliance: General bookkeeping, accounting and computer skills

14) Small Business Impact Analysis: The rulemaking will not have an impact on small businesses.

15) Regulatory Agenda on which this rulemaking was summarized: January 2020

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

The full text of the Proposed Rules begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 424
COUNTY CANNABIS RETAILERS' OCCUPATION TAX

Section

424.100 Nature of the Tax
424.105 Definitions
424.110 Tax Imposed
424.115 Bundling of Taxable and Nontaxable Items; Prohibition; Taxation
424.120 Registration of Cannabis Retailers
424.125 Revocation of Certificate of Registration
424.130 Return and Payment of Tax by Cannabis Retailers
424.135 Books and Records
424.140 Claims and Credit Memoranda
424.145 Penalties and Interest; Procedures
424.150 Ordinances and Resolutions Imposing or Discontinuing a Tax
424.155 Administration and Enforcement

AUTHORITY: Implementing the County Cannabis Retailers' Occupation Tax Law [55 ILCS 5/5-1006.8].

SOURCE: Adopted at 44 Ill. Reg. _____, effective _____.

Section 424.100 Nature of the Tax

a) 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 Program Act [410 ILCS 130], at retail in the county. The Tax is imposed on the cannabis retailer.

b) Persons subject to any Tax imposed under the Law may reimburse themselves for their seller's Tax liability under the Law by separately stating the Tax as an additional charge, which charge may be stated in combination, in a single amount, with any State or local tax administered by the Department that sellers are required to collect.

c) *The Tax imposed under the Law and all civil penalties that may be assessed as an incident of the Tax shall be collected and enforced by the Department of Revenue.* [55 ILCS 5/5-1006.8]

Section 424.105 Definitions

"Act" means the Cannabis Regulation and Tax Act [410 ILCS 705].

"Cannabis" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction; however, "cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted from it), fiber, oil or cake, or the sterilized seed of the plant that is incapable of germination. "Cannabis" does not include industrial hemp as defined and authorized under the Industrial Hemp Act [505 ILCS 5] *and cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act. "Cannabis" also means cannabis flower, concentrate, and cannabis-infused products.* [410 ILCS 705/1-10]

"Cannabis business establishment" means a cultivation center, craft grower, processing organization, infuser organization, dispensing organization, or transporting organization licensed under the Cannabis Regulation and Tax Act. [410 ILCS 705/1-10]

"Cannabis concentrate" means a product derived:

from cannabis that is produced by extracting cannabinoids, including tetrahydrocannabinol (THC), from the plant through the use of:

propylene glycol, glycerin, butter, olive oil or other typical cooking fats;

water, ice, or dry ice; or

butane, propane, CO_2, ethanol, or isopropanol; and

with the intended use of smoking or making a cannabis-infused product [410 ILCS 705/1-10].

"Cannabis flower" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including:

derivatives or subspecies, such as indica, of all strains of cannabis; and

raw kief, leaves, and buds, but not:

resin that has been extracted from any part of the plant; nor

any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. [410 ILCS 705/1-10]

"Cannabis-infused product" means beverage, food, oils, ointments, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked. [410 ILCS 705/65-5]

"Cannabis retailer" means a dispensing organization licensed under the Cannabis Regulation and Tax Act that sells cannabis for use and not for resale. [410 ILCS 705/65-1]

"County Cannabis Retailers' Occupation Tax" or "Tax" means the tax imposed by the Law.

"Department" means the Department of Revenue.

"Gross receipts" from the sales of cannabis by a cannabis retailer means the total selling price or the amount of such sales. In the case of charges and time sales, the amount thereof shall be included only when payments are received by the cannabis retailer.

"Law" means the County Cannabis Retailers' Occupation Tax Law [55 ILCS 5/5-1006.8].

"Person" means:

a 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.

"Purchaser" means a person who acquires cannabis for a valuable consideration.

"Selling price" or "Amount of sale" means the consideration for a sale valued in money, whether received in money or otherwise, including cash, credits, property, and services, 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 separately stated charges identified on the invoice by cannabis retailers to reimburse themselves for their Tax liability under the Law. However, "selling price" does not include consideration paid for:

any charge for a payment that is not honored by a financial institution;

any finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment; and

any amounts added to a purchaser's bill because of charges made under the Tax imposed by the Law, the Cannabis Purchaser Excise Tax Law [410 ILCS 705/Art. 65], the Municipal Cannabis Retailers' Occupation Tax Law [65 ILCS 5/8-11-23], the Use Tax Act [35 ILCS 105], the Service Use Tax Act [35 ILCS 110], or any locally imposed occupation tax.

"Taxpayer" means a cannabis retailer who is required to remit the tax imposed under the Law.

Section 424.110 Tax Imposed

a) *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 Program Act, at retail in the county on the gross receipts of the sales made in the course of*

business. If imposed, the Tax shall be imposed only in 0.25% increments. The Tax rate may not exceed:

1) *3.75% of the gross receipts of sales made in unincorporated areas of the county; and*

2) *3% of the gross receipts of sales made in a municipality located in the county.* [55 ILCS 5/5-1006.8]

b) The sale of any product that contains any amount of cannabis or any derivative of cannabis is subject to the Tax under subsection (a) on the full selling price of the product.

c) The Tax imposed by this Section is not imposed with respect to any transaction in interstate commerce, to the extent the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

d) The Tax imposed under the Law is in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.

Section 424.115 Bundling of Taxable and Nontaxable Items; Prohibition; Taxation

a) Section 15-70(n)(17) of the Act prohibits dispensing organizations from selling cannabis, cannabis-infused products, and concentrates in combination or bundled with each other or any other items for one price. If a cannabis retailer sells cannabis, concentrate, or cannabis-infused products in combination or bundled with items that are not subject to Tax under the Law for one price in violation of the prohibition on this activity in Section 15-70 of the Act, then the Tax is imposed on the selling price of the entire bundled product.

EXAMPLE: A cannabis retailer makes gift baskets that contain a ¼ ounce of cannabis that normally sells for $60, a pipe that normally sells for $20, 4 cannabis-infused pods that normally sell for $40, and an electronic device the pods can be used with that normally sells for $45. The cannabis retailer offers the basket for $135. The Tax is imposed on the selling price of $135.

b) *Each item of cannabis, concentrate and cannabis-infused product must be separately identified by quantity and price on the receipt.* [410 ILCS 705/15-70(n)(17)]

Section 424.120 Registration of Cannabis Retailers

a) It shall be unlawful for any cannabis retailer to engage in the business of selling cannabis at retail in this State without a certificate of registration from the Department.

b) Every person subject to the Tax under the Law shall apply to the Department (on a form prescribed and furnished by the Department) for a certificate of registration under the Law. Application for a certificate of registration shall be made to the Department on forms furnished by the Department.

c) *The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act* [35 ILCS 120] *shall permit a person to engage in the business of selling cannabis under the Law without registering separately with the Department*. If a retailer holding a certificate of registration under the Retailers' Occupation Tax Act engages in the business of selling cannabis at another location in this State, *the Department shall furnish him or her with a sub-certificate of registration for that place of business, and the applicant shall display the appropriate sub-certificate of registration at that place of business. The sub-certificate of registration shall bear the same registration number as that appearing upon the certificate of registration to which the sub-certificate relates.* [35 ILCS 120/2a] A certificate of registration or sub-certificate of registration issued under the Retailers' Occupation Tax Act waives the registration requirements under this Section. However, the Department may require the retailer to provide such other information as the Department may reasonably require for it to administer and enforce the provisions of the Law. A retailer may not engage in the business of selling cannabis until he or she is issued a certificate of registration.

Section 424.125 Revocation of Certificate of Registration

a) The revocation of a cannabis retailer's certificate of registration under the Retailers' Occupation Tax Act revokes a cannabis retailer's certificate of registration under the Law.

b) The Department shall notify the Department of Professional and Financial Regulation upon revocation of a certificate of registration issued to a cannabis retailer.

Section 424.130 Return and Payment of Tax by Cannabis Retailers

a) *Retailers shall file all cannabis Tax returns and shall make all cannabis Tax payments by electronic means in the manner and form required by the Department* [35 ILCS 120/3].

b) The information required for the Tax shall be furnished on the cannabis retailer's State cannabis dispensary Tax return.

c) If the cannabis retailer files its Illinois Retailers' Occupation Tax returns on the gross receipts basis, it must report County Cannabis Retailers' Occupation Tax information in its returns on the same basis. If the cannabis retailer files its Illinois Retailers' Occupation Tax returns on the gross sales basis, it must report County Cannabis Retailers' Occupation Tax information in its returns on the gross sales basis.

Section 424.135 Books and Records

a) Every cannabis retailer shall keep books and records of all sales of cannabis, together with invoices, bills of lading, sales records, copies of bills of sale, inventories prepared as of December 31 of each year, or otherwise annually as has been the custom in the specific trade, and other pertinent papers and documents. For purposes of this Section, "records" means all data maintained by the cannabis retailer, including data on paper, microfilm, microfiche or any type of machine-sensible data compilation.

b) All books and records and other papers and documents that are required by the Law to be kept shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees.

c) It shall be presumed that all sales of cannabis are subject to Tax under the Law until the contrary is established, and the burden of proving that a transaction is not taxable under this Part shall be upon the person who would be required to remit the Tax to the Department if the transaction is taxable.

d) Penalties

1) Except for the books and records identified in subsection (e), any cannabis retailer who fails to keep books and records, or fails to produce books and records for examination as required by this Section, is liable to pay to the Department, for deposit into the Tax Compliance and Administration Fund, a penalty of:

A) $1,000 for the first failure to keep books and records or produce books and records for examination; and

B) $3,000 for each subsequent failure to keep books and records or produce books and records for examination.

2) The penalties imposed under this subsection (d) shall not apply if the taxpayer shows that it acted with ordinary business care and prudence.

e) All books and records kept by a cannabis retailer, pursuant to rules adopted by the Department of Financial and Professional Regulation to implement the Act, shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. The Department shall also have access to the cannabis retailer's automated data processing and/or point of sale system.

Section 424.140 Claims and Credit Memoranda

Cannabis retailers may file claims for credit or refund of Tax in accordance with the procedures, limitations and restrictions contained in Sections 6, 6a, 6b, 6c, and 6d of the Retailers' Occupation Tax Act.

Section 423.145 Penalties and Interest; Procedures

a) All penalties (both civil and criminal), provisions concerning interest and procedures (such as the making of assessments, the venue and mode of conducting hearings, subpoenas, matters pertaining to judicial review and other procedural subjects), together with statutes of limitation, are the same under the Law as under the Illinois Retailers' Occupation Tax Act.

b) All provisions of the Uniform Penalty and Interest Act [35 ILCS 735] that are not inconsistent with the Law shall apply.

Section 424.150 Ordinances and Resolutions Imposing or Discontinuing a Tax

a) *An ordinance or resolution imposing or discontinuing the Tax under the Law or effecting a change in the rate of the Tax that is adopted on or after June 25, 2019 (the effective date of Public Act 101-27), and for which a certified copy is filed with the Department on or before April 1, 2020, shall be administered and enforced by the Department beginning on July 1, 2020.*

b) *For ordinances filed with the Department after April 1, 2020, an ordinance or resolution imposing or discontinuing the Tax or effecting a change in the rate of the Tax shall either:*

1) *be adopted, with a certified copy of the ordinance filed with the Department on or before the first day of April. After the filing the Department will proceed to administer and enforce the Law as of the first day of July next following the adoption and filing; or*

2) *be adopted, with a certified copy of the ordinance filed with the Department on or before the first day of October. After the filing, after which the Department will proceed to administer and enforce the Law as of the first day of January next following the adoption and filing.* [55 ILCS 5/5-1006.8(f)].

Section 424.155 Administration and Enforcement

a) *The Department of Revenue shall have full power to:*

1) *administer and enforce the Law;*

2) *to collect all Taxes and penalties due under the Law;*

3) *submit to the State Treasurer, for deposit in the Local Cannabix Retailers' Occupation Tax Trust Fund, all Taxes and penalties collected under the Law,* excluding those described in Section 424.135(d)*; and*

4) *determine all rights to credit memoranda arising on account of the erroneous payment of Tax or penalty under the Law.*

b) *In the administration of and compliance with the Law, the Department of Revenue and persons who are subject to the Law 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), 2a, 2b, 2c, 2i, 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, 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 fully as if those provisions were set forth in the Law.* [55 ILCS 5/5-1006.8]

c) To avoid needless repetition, the substance and provisions of all Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) that are not incompatible with the Law or any special rules that may be promulgated by the Department under the Law will apply in implementation of the Law.

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

1) Heading of the Part: Municipal Cannabis Retailers' Occupation Tax

2) Code Citation: 86 Ill. Adm. Code 425

3)

Section Numbers:	Proposed Actions:
425.100	New Section
425.105	New Section
425.110	New Section
425.115	New Section
425.120	New Section
425.125	New Section
425.130	New Section
425.135	New Section
425.140	New Section
425.145	New Section
425.150	New Section
425.155	New Section

4) Statutory Authority: 65 ILCS 5/8-11-23; 35 ILCS 120/12

5) A Complete Description of the Subjects and Issues Involved: The rulemaking implements PA 101-27, codified in relevant part at 65 ILCS 5/8-11-23. On or after January 1, 2020, the corporate authorities of any municipality may, by ordinance, impose a tax upon all persons engaged in the business of selling cannabis at retail in the municipality on the gross receipts of the sales made in the course of business. If imposed, the tax shall be imposed only in 0.25% increments. The tax rate may not exceed 3% of the gross receipts of sales made in a municipality. The sale of any product that contains any amount of cannabis or any derivative thereof is subject to the tax on the full selling price of the product. The tax is not imposed on cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act.

6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None

7) Will this rulemaking replace an emergency rule currently in effect? No

8) Does this rulemaking contain an automatic repeal date? No

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

9) Does this rulemaking contain incorporations by reference? Yes. To avoid needless repetition, the substance and provisions of all Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) which are not incompatible with the Cannabis Cultivation Privilege Tax Law or the proposed rules are referenced. 86 Ill. Adm. Code 422.150(c).

10) Are there any other rulemakings pending on this Part? No

11) Statement of Statewide Policy Objective: This rulemaking does not create a State mandate, nor does it modify any existing State mandates.

12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Richard S. Wolters
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield IL 62794

217/782-2844

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: Businesses licensed under the Cannabis Regulation and Tax Act by the Department of Professional and Financial Regulation to sell cannabis to persons 21 years of age or older

B) Reporting, bookkeeping or other procedures required for compliance: General bookkeeping, accounting and computer skills

C) Types of professional skills necessary for compliance: General bookkeeping, accounting and computer skills

14) Small Business Impact Analysis: The rulemaking will not have an impact on small businesses.

15) Regulatory Agenda on which this rulemaking was summarized: January 2020

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

The full text of the Proposed Rules begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULES

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 425
MUNICIPAL CANNABIS RETAILERS' OCCUPATION TAX

Section

425.100 Nature of the Tax
425.105 Definitions
425.110 Tax Imposed
425.115 Bundling of Taxable and Nontaxable Items; Prohibition; Taxation
425.120 Registration of Cannabis Retailers
425.125 Revocation of Certificate of Registration
425.130 Return and Payment of Tax by Cannabis Retailers
425.135 Books and Records
425.140 Claims and Credit Memoranda
425.145 Penalties and Interest; Procedures
425.150 Ordinances and Resolutions Imposing or Discontinuing a Tax
425.155 Administration and Enforcement

AUTHORITY: Implementing the Municipal Cannabis Retailers' Occupation Tax Law [65 ILCS 5/8-11-23].

SOURCE: Adopted at 44 Ill. Reg. _____, effective _____.

Section 425.100 Nature of the Tax

a) The corporate authorities of any municipality 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 Program Act [410 ILCS 130], at retail in the municipality. The Tax is imposed on the cannabis retailer.

b) Persons subject to any Tax imposed under the Law may reimburse themselves for their seller's tax liability under the Law by separately stating the Tax as an additional charge, which charge may be stated in combination, in a single amount, with any State or local tax administered by the Department that sellers are required to collect.

c) *The Tax imposed under the Law and all civil penalties that may be assessed as an incident of the Tax shall be collected and enforced by the Department of Revenue.* [65 ILCS 5/8-11-23]

Section 425.105 Definitions

"Act" means the Cannabis Regulation and Tax Act [410 ILCS 705].

"Cannabis" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction; however, "cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted from it), fiber, oil or cake, or the sterilized seed of the plant that is incapable of germination. "Cannabis" does not include industrial hemp as defined and authorized under the Industrial Hemp Act [505 ILCS 5] *and cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act. "Cannabis" also means cannabis flower, concentrate, and cannabis-infused products.* [410 ILCS 705/1-10]

"Cannabis business establishment" means a cultivation center, craft grower, processing organization, infuser organization, dispensing organization, or transporting organization licensed under the Cannabis Regulation and Tax Act. [410 ILCS 705/1-10]

"Cannabis concentrate" means a product derived:

from cannabis that is produced by extracting cannabinoids, including tetrahydrocannabinol (THC), from the plant through the use of:

propylene glycol, glycerin, butter, olive oil or other typical cooking fats;

water, ice, or dry ice; or

butane, propane, CO_2, ethanol, or isopropanol; and

with the intended use of smoking or making a cannabis-infused product. [410 ILCS 705/1-10]

"Cannabis flower" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including:

derivatives or subspecies, such as indica, of all strains of cannabis; and

raw kief, leaves, and buds, but not:

resin that has been extracted from any part of the plant; nor

any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. [410 ILCS 705/1-10]

"Cannabis-infused product" means beverage, food, oils, ointments, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked. [410 ILCS 705/65-5]

"Cannabis retailer" means a dispensing organization licensed under the Cannabis Regulation and Tax Act that sells cannabis for use and not for resale. [410 ILCS 705/65-1]

"Department" means the Department of Revenue.

"Gross receipts" from the sales of cannabis by a cannabis retailer means the total selling price or the amount of such sales. In the case of charges and time sales, the amount thereof shall be included only when payments are received by the cannabis retailer.

"Law" means the Municipal Cannabis Retailers' Occupation Tax Law [65 ILCS 5/8-11-23].

"Municipal Cannabis Retailers' Occupation Tax" or "Tax" means the Tax imposed by the Law.

"Person" means:

a 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.

"Purchaser" means a person who acquires cannabis for a valuable consideration.

"Selling price" or "Amount of sale" means the consideration for a sale valued in money, whether received in money or otherwise, including cash, credits, property, and services, 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 separately stated charges identified on the invoice by cannabis retailers to reimburse themselves for their Tax liability under the Law. However, "selling price" does not include consideration paid for:

any charge for a payment that is not honored by a financial institution;

any finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment; and

any amounts added to a purchaser's bill because of charges made under the Tax imposed by the Law, the Cannabis Purchaser Excise Tax Law [410 ILCS 705/Art.65], the County Cannabis Retailers' Occupation Tax Law [55 ILCS 5/5-1006.8], the Use Tax Act [35 ILCS 105], the Service Use Tax Act [35 ILCS 110], or any locally imposed occupation tax.

"Taxpayer" means a cannabis retailer who is required to remit the Tax imposed under the Law.

Section 425.110 Tax Imposed

a) *The corporate authorities of any municipality 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 Program Act, at retail in the municipality on the gross receipts of the sales made in the course of*

business. If imposed, the Tax shall be imposed only in 0.25% increments. The Tax rate may not exceed 3% of the gross receipts of sales made in a municipality. [65 ILCS 5/8-11-23(a)]

b) The sale of any product that contains any amount of cannabis or any derivative of cannabis is subject to the Tax under subsection (a) on the full selling price of the product.

c) The Tax is not imposed with respect to any transaction in interstate commerce, to the extent the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

d) The Tax is in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.

Section 425.115 Bundling of Taxable and Nontaxable Items; Prohibition; Taxation

a) Section 15-70(n)(17) of the Act prohibits dispensing organizations from selling cannabis, cannabis-infused products, and concentrates in combination or bundled with each other or any other items for one price. If a cannabis retailer sells cannabis, concentrate, or cannabis-infused products in combination or bundled with items that are not subject to Tax under the Law for one price in violation of the prohibition on this activity in Section 15-70 of the Act, then the Tax is imposed on the selling price of the entire bundled product.

EXAMPLE: A cannabis retailer makes gift baskets that contain a ¼ ounce of cannabis that normally sells for $60, a pipe that normally sells for $20, 4 cannabis-infused pods that normally sell for $40, and an electronic device the pods can be used with that normally sells for $45. The cannabis retailer offers the basket for $135. The Tax is imposed on the selling price of $135.

b) *Each item of cannabis, concentrate and cannabis-infused product must be separately identified by quantity and price on the receipt.* [410 ILCS 705/15-70(n)(17)]

Section 425.120 Registration of Cannabis Retailers

a) It shall be unlawful for any cannabis retailer to engage in the business of selling cannabis at retail in this State without a certificate of registration from the Department.

b) Every person subject to the Tax under the Law shall apply to the Department (on a form prescribed and furnished by the Department) for a certificate of registration under the Law. Application for a certificate of registration shall be made to the Department on forms furnished by the Department.

c) *The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act* [35 ILCS 120] *shall permit a person to engage in the business of selling cannabis under the Law without registering separately with the Department.* If a retailer holding a certificate of registration under the Retailers' Occupation Tax Act engages in the business of selling cannabis at another location in this State, *the Department shall furnish him or her with a sub-certificate of registration for that place of business, and the applicant shall display the appropriate sub-certificate of registration at that place of business. The sub-certificate of registration shall bear the same registration number as that appearing upon the certificate of registration to which the sub-certificate relates.* [35 ILCS 120/2a] A certificate of registration or sub-certificate of registration issued under the Retailers' Occupation Tax Act waives the registration requirements under this Section. However, the Department may require the retailer to provide such other information as the Department may reasonably require for it to administer and enforce the provisions of the Law. A retailer may not engage in the business of selling cannabis until he or she is issued a certificate of registration.

Section 425.125 Revocation of Certificate of Registration

a) The revocation of a cannabis retailer's certificate of registration under the Retailers' Occupation Tax Act revokes a cannabis retailer's certificate of registration under the Law.

b) The Department shall notify the Department of Financial and Professional Regulation upon revocation of a certificate of registration issued to a cannabis retailer.

Section 425.130 Return and Payment of Tax by Cannabis Retailers

a) *Retailers shall file all cannabis Tax returns and shall make all cannabis Tax payments by electronic means in the manner and form required by the Department.* [35 ILCS 120/3]

b) The information required for the Tax shall be furnished on the cannabis retailer's State cannabis dispensary Tax return.

c) If the cannabis retailer files its Illinois Retailers' Occupation Tax returns on the gross receipts basis, it must report Municipal Cannabis Retailers' Occupation Tax information in its returns on the same basis. If the cannabis retailer files its Illinois Retailers' Occupation Tax returns on the gross sales basis, it must report Municipal Cannabis Retailers' Occupation Tax information in its returns on the gross sales basis.

Section 425.135 Books and Records

a) Every cannabis retailer shall keep books and records of all sales of cannabis, together with invoices, bills of lading, sales records, copies of bills of sale, inventories prepared as of December 31 of each year, or otherwise annually as has been the custom in the specific trade, and other pertinent papers and documents. For purposes of this Section, "records" means all data maintained by the cannabis retailer, including data on paper, microfilm, microfiche or any type of machine-sensible data compilation.

b) All books and records and other papers and documents that are required by the Law to be kept shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees.

c) It shall be presumed that all sales of cannabis are subject to Tax under the Law until the contrary is established, and the burden of proving that a transaction is not taxable under this Part shall be upon the cannabis retailer.

d) Penalties

1) Except for the books and records identified in subsection (e), any cannabis retailer who fails to keep books and records, or fails to produce books and records for examination as required by this Section, is liable to pay to the

Department, for deposit into the Tax Compliance and Administration Fund, a penalty of:

A) $1,000 for the first failure to keep books and records or produce books and records for examination; and

B) $3,000 for each subsequent failure to keep books and records or produce books and records for examination.

2) The penalties imposed under this subsection (d) shall not apply if the taxpayer shows that it acted with ordinary business care and prudence.

e) All books and records kept by a cannabis retailer, pursuant to rules adopted by the Department of Financial and Professional Regulation to implement the Act, shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. The Department shall also have access to the cannabis retailer's automated data processing and/or point of sale system.

Section 425.140 Claims and Credit Memoranda

Cannabis retailers may file claims for credit or refund of Taxes in accordance with the procedures, limitations, and restrictions contained in Sections 6, 6a, 6b, 6c, and 6d of the Retailers' Occupation Tax Act.

Section 425.145. Penalties and Interest; Procedures

a) All penalties (both civil and criminal), provisions concerning interest and procedures (such as the making of assessments, the venue and mode of conducting hearings, subpoenas, matters pertaining to judicial review and other procedural subjects), together with statutes of limitation, are the same under the Law as under the Illinois Retailers' Occupation Tax Act.

b) All provisions of the Uniform Penalty and Interest Act [35 ILCS 735] that are not inconsistent with the Law shall apply.

Section 425.150 Ordinances and Resolutions Imposing or Discontinuing a Tax

a) *An ordinance or resolution imposing or discontinuing a Tax under the Law or effecting a change in the rate of the Tax that is adopted on or after June 25, 2019 (the effective date of Public Act 101-27), and for which a certified copy is filed with the Department on or before April 1, 2020, shall be administered and enforced by the Department beginning on July 1, 2020.*

b) *For ordinances filed with the Department after April 1, 2020, an ordinance or resolution imposing or discontinuing the Tax or effecting a change in the rate of the Tax shall either:*

1) *be adopted, with a certified copy of the ordinance filed with the Department, on or before the first day of April. After the filing, the Department will proceed to administer and enforce the Law as of the first day of July next following the adoption and filing; or*

2) *be adopted, with a certified copy of the ordinance filed with the Department on or before the first day of October. After the filing, the Department will proceed to administer and enforce the Law as of the first day of January next following the adoption and filing.* [65 ILCS 5/8-11-23(f)]

Section 425.155 Administration and Enforcement

a) *The Department of Revenue shall have full power to:*

1) *administer and enforce the Law;*

2) *collect all Taxes and penalties due under the Law;*

3) *submit to the State Treasurer, for deposit in the Local Cannabis Retailers' Occupation Tax Trust Fund, all Taxes and penalties collected under the Law,* excluding those described in Section 425.135(d)*; and*

4) *determine all rights to credit memoranda arising on account of the erroneous payment of Tax or penalty under the Law.*

b) *In the administration of and compliance with the Law, the Department of Revenue and persons who are subject to the Law 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), 2a, 2b, 2c, 2i, 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, 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 fully as if those provisions were set forth in the Law. [65 ILCS 5/8-11-23]

c) To avoid needless repetition, the substance and provisions of all Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) that are not incompatible with the Law or any special rules that may be promulgated by the Department under the Law will apply in implementation of the Law.

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Medical Cannabis Cultivation Privilege Tax Law

2) Code Citation: 86 Ill. Adm. Code 429

3)

Section Numbers:	Proposed Actions:
429.105	Amendment
429.115	Amendment
429.120	Amendment
429.125	Amendment
429.135	Amendment

4) Statutory Authority: 410 ILCS 130/215

5) A Complete Description of the Subjects and Issues Involved: The amendments implement changes made to the Medical Cannabis Cultivation Privilege Tax Law by PA 101-363. Section 429.105 is amended to strike the word "Pilot" from the short title of the Compassionate Use of Medical Cannabis Pilot Program Act. Section 429.115 is amended to change the registration requirements for cultivators of medical cannabis to make them consistent with the registration requirements in the Retailers' Occupation Tax Act. Section 429.115 is also amended to add registration language contained in the Department of Revenue Law in the Civil Administrative Code of Illinois. Section 429.1120 is amended to add language regarding revocation of certificate of registrations contained in the Department of Revenue Law. Section 429.150 is amended to add language regarding the filing of returns by electronic means. Section 429.130 is also amended to add language that permits the Department to require cultivators to file returns in combination with returns due under the recently enacted Cannabis Regulation and Tax Act (PA 101-27). Section 429.135 is amended to add a penalty for failing to maintain books and records for inspection by the Department.

6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None

7) Will this rulemaking replace an emergency rule currently in effect? No

8) Does this rulemaking contain an automatic repeal date? No

9) Does this rulemaking contain incorporations by reference? No

10) Are there any other rulemakings pending on this Part? No

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

11) Statement of Statewide Policy Objective: This rulemaking does not create a State mandate, nor does it modify any existing State mandates.

12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Richard S. Wolters
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield IL 62794

217/782-2844

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: General bookkeeping, accounting and computer skills

C) Types of professional skills necessary for compliance: General bookkeeping, accounting and computer skills

14) Small Business Impact Analysis: The amendments will not have an impact on small businesses.

15) Regulatory Agenda on which this rulemaking was summarized: January 2020

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 429
MEDICAL CANNABIS CULTIVATION PRIVILEGE TAX LAW

Section
429.105 Definitions
429.110 Nature and Rate of the Tax
429.115 Registration
429.120 Revocation of Certificate of Registration
429.125 Returns
429.130 Claims and Credit Memoranda
429.135 Books and Records
429.140 Penalties and Interest
429.145 Department's Authority to Administer the Law

AUTHORITY: Implementing the Medical Cannabis Cultivation Privilege Tax Law [410 ILCS 130/190 through 215] and authorized by Section 215 of the Medical Cannabis Cultivation Privilege Tax Law [410 ILCS 130].

SOURCE: Adopted at 38 Ill. Reg. 17084, effective July 25, 2014; emergency amendment at 40 Ill. Reg. 3305, effective February 3, 2016, for a maximum of 150 days; amended at 40 Ill. Reg. 9222, effective June 24, 2016; amended at 44 Ill. Reg. _____, effective _____.

Section 429.105 Definitions

"Act" means the Compassionate Use of Medical Cannabis ~~Pilot~~ Program Act [410 ILCS 130].

"Cannabis" has the meaning given that term in Section 3 of the ~~Medical~~ Cannabis Control Act [720 ILCS 550/3(a)]. [410 ILCS 130/10(b)]~~.~~

"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. [410 ILCS 130/10(e)]~~.~~

"Department" means the Department of Revenue. [410 ILCS 130/195]~~.~~

"Designated caregiver" means a person who:

is at least 21 years of age;

has agreed to assist with a patient's medical use of cannabis;

has not been convicted of an excluded offense; and

assists no more than one registered qualifying patient with his or her medical use of cannabis. [410 ILCS 130/10(i)]~~.~~

"Dispensing 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. [410 ILCS 130/10(o)]~~.~~

"Law" means the Medical Cannabis Cultivation Privilege Tax Law [410 ILCS 130/190 through 215].

"Medical cannabis" means cannabis and its constituent cannabinoids, such as tetrahydrocannabinol (THC) and cannabidiol (CBD), used as an herbal remedy or therapy to treat disease or alleviate symptoms. Medical cannabis can be administered by a variety of routes, including, but not limited to: vaporizing or smoking dried buds; administering tinctures or tonics; applying topicals such as ointments or balms; consuming infused food products, such as soda or teas; or taking capsules.

"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. [410 ILCS 130/10(n)]~~.~~

"Medical cannabis infused product" means food, oils, ointments, or other products containing usable cannabis that are not smoked. [410 ILCS 130/10(q)]~~.~~

"Ounce" means 28.35 grams.

"Person" means an individual, partnership, corporation, or public or private organization. [410 ILCS 130/195]~~.~~

"Qualifying patient" means a qualifying patient registered under the Compassionate Use of Medical Cannabis~~ Pilot~~ Program Act. [410 ILCS 130/195]~~.~~

"Sales price" means the consideration for a sale valued in money, whether received in money or otherwise, including cash, credits, property, and services, 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.

"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. [410 ILCS 130/10(w)]~~.~~

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 429.115 Registration

a) It is unlawful for any person to engage in the business of cultivating medical cannabis in this State without a certificate of registration from the Department.

b) *Every person subject to the tax under the Law shall apply to the Department (on~~upon~~ a form prescribed and furnished by the Department) for a certificate of registration under this Law. Application for a certificate of registration shall be made to the Department on~~upon~~ forms furnished by the Department.* [410 ILCS 130/205(a)]

c) *The certificate of registration that~~which~~ is issued by the Department to a retailer under the Retailers' Occupation Tax Act* [35 ILCS 120] *shall permit a person to engage in a business of cultivating medical cannabis under the Law without registering separately with the Department* [410 ILCS 130/205(a)]. If a retailer holding a certificate of registration under the Retailers' Occupation Tax Act engages in the business of cultivating medical cannabis at another location in this State, *the Department shall furnish him* or her *with a sub-certificate of*

registration for that place of business, and the applicant shall display the appropriate sub-certificate of registration at that place of business. The *sub-certificate of registration shall bear the same registration number as that appearing upon the certificate of registration to which the sub-certificate relates.* [35 ILCS 120/2a] A certificate of registration or sub-certificate of registration issued under the Retailers' Occupation Tax Act waives the registration requirements process under subsection (d). However, the Department may require the retailer to provide such other information as the Department may reasonably require to administer and enforce the provisions of the Law. A retailer may not engage in the business of cultivating medical cannabis until he or she is issued a certificate of registration under subsection (f).

d) Each application shall be signed and verified and shall state:

1) the name and social security number of the applicant;

2) the address of his or her principal place of business;

3) the address of the place of business from which he or she engages in the business of cultivating medical cannabis 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 or she engages in the business of cultivating medical cannabis 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 the Law;

5) in the case of a publicly traded corporation, ~~the FEIN of the corporation, and~~ 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 the Law~~, along with the last 4 digits of each of their social security numbers;~~ and, in the case of all other corporations, the ~~FEIN of the corporation, and 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 of each manager and member; and

7) such other information as the Department may reasonably require.

e) The Department may, in accordance with Section 2a of the Retailers' Occupation Tax Act, require an applicant for a certificate of registration under subsection (d), at the time of filing the application, to furnish a bond. No certificate of registration under the Law will be issued by the Department until the applicant provides the Department with satisfactory security, if required.

f) 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 will issue to the applicant a certificate of registration that shall permit the person to whom it is issued to engage in the business of cultivating medical cannabis in this State at the location identified on the certificate, and the certificate of registration shall be conspicuously displayed at the location. No certificate of registration issued to an applicant shall be valid after the expiration of 1 year~~5 years~~ from the date of its issuance or last renewal. A certificate of registration shall be renewed automatically, subject to revocation as provided by the Law, for an additional 1 year from the date of its expiration, unless otherwise notified by the Department as provided by this Section. For retailers possessing a certificate of registration under the Retailers' Occupation Tax Act, after review of the certificate of registration issued under the Retailers' Occupation Tax Act, the issuance of a sub-certificate of registration, if necessary, and receipt of any additional information the Department may reasonably require, the Department will issue to the applicant a certificate of registration under the Law that shall permit the person to whom it is issued to engage in the business of cultivating medical cannabis in this State at the location identified on the certificate, and the certificate of registration shall be conspicuously displayed at that location. A certificate of registration issued to a retailer shall be valid until the expiration of the certificate of registration issued to the retailer under the Retailers' Occupation Tax Act. A cultivation center must also possess a Cultivation Center License issued by the Illinois Department of Agriculture for the location prior to commencement of any activities. (See 8 Ill. Adm. Code 1000.100.)

g) Any person aggrieved by any decision of the Department under this Section may, within 20 days after notice of the decision, protest and request a hearing. After receipt of the request for a hearing, the Department shall give notice to the person of the time and place fixed for the hearing, shall hold a hearing, and shall issue its final administrative decision in the matter to the person. In the absence of a

protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

h) *The Department may refuse to issue, reissue, or renew a certificate of registration authorized to be issued by the Department if a person who is named as the owner, a partner, a corporate officer, or, in the case of a limited liability company, a manager or member, of the applicant on the application for the certificate of registration is, or has been, named as the owner, a partner, a corporate officer, or, in the case of a limited liability company, a manager or member, on the application for the certificate of registration of a person that is in default for moneys due under the Law or any other tax or fee Act administered by the Department. For purposes of this Section 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 refusal to issue or reissue the certificate of registration, permit, or license.* [20 ILCS 2505/2505-380(b)]

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 429.120 Revocation of Certificate of Registration

a) The Department may, after notice and a hearing, revoke the certificate of registration of any person who violates any of the provisions of the Law. 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 person 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 the 90 day period shall not preclude the Department from conducting revocation proceedings at a later date if necessary.

b) A person permitted by Section 429.115(c) to operate a cultivation center under a certificate of registration issued pursuant to the Retailers' Occupation Tax Act must cease selling medical cannabis if the certificate of registration is revoked unless and until the person obtains a certificate of registration issued pursuant to the Retailers' Occupation Tax Act or obtains a separate certificate of registration under the Law.

c) *The Department has the power, after notice and an opportunity for a hearing, to revoke a certificate of registration issued by the Department if the holder of the*

certificate of registration fails to file a return, or to pay the tax, fee, penalty, or interest shown in a filed return, or to pay any final assessment of tax, fee, penalty, or interest, as required by the Law or any other tax or fee Act administered by the Department. [20 ILCS 2505/2505-380]

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 429.125 Returns

a) *On or before the 20th day of each calendar month, every person subject to the tax imposed under the Law during the preceding calendar month shall file a return with the Department stating:*

1) *The name and address of the taxpayer;*

2) The taxpayer's registration number*;*

3) *The number of ounces of medical cannabis sold to dispensary organizations during the preceding calendar month;*

4) The total consideration received from the sale of medical cannabis;

5) The amount of any credits*;*

6) *The amount of tax due*;

7) *The signature of the taxpayer*; and

8) *Such other reasonable information as the Department may require.* [410 ILCS 130/210]

b) *The taxpayer shall remit the amount of the tax due to the Department at the time the taxpayer files his or her return.* [410 ILCS 130/210]~~. Taxpayers may be required to use electronic funds transfer to pay their tax liability. (See 20 ILCS 2505/2505-210.)~~ *Section 60-20 of the Cannabis Regulation and Tax Act applies to returns filed and taxes paid under the Law to the same extent as if those provisions were set forth in the Law.* [410 ILCS 130/210(b)] *All returns required to be filed and payments required to be made under the Law shall be by electronic means. Taxpayers who demonstrate hardship in paying electronically may*

petition the Department to waive the electronic payment requirement. [410 ILCS 705/60-20] Taxpayers may not petition the Department for a waiver of the requirement to file all returns by electronic means.

c) *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*. [410 ILCS 130/210].

d) The Department may require a cultivator to combine the return for the tax under the Act with the return for the tax under the Cannabis Regulation and Tax Act. *If the return for the tax under the Act is combined with the return for tax under the Cannabis Regulation and Tax Act, then the vendor's discount allowed under Section 60-20 of the Cannabis Regulation and Tax Act and any cap on that discount imposed by Section 60-20 of the Cannabis Regulation and Tax Act shall apply to the combined return.* [410 ILCS 705/60-20]

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 429.135 Books and Records

a) Every cultivation center *shall keep books and records of all sales of medical cannabis*of medical cannabis*, together with invoices, bills of lading, sales records, copies of bills of sale, monthly inventories*inventories*, inventories prepared as of December 31 of each year, and other pertinent papers and documents*documents. [35 ILCS 120/7]

b) *All books and records and other papers and documents that*that *are required by this Section and the Law*Section and the Law *to be kept shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees*. [35 ILCS 120/7] Records shall be maintained at the physical location of the cultivation center. All books and records kept by a cultivation center pursuant to rules adopted by the Illinois Department of Agriculture to implement the Act shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. The Department shall also have access to the cultivation center's automated data processing and/or point of sale system.

c) *Books and records and other papers reflecting gross receipts received during any~~during any~~ period with respect to which the Department is authorized to issue notices of tax liability shall, for purposes of this Part~~this Part~~, be preserved until the expiration of that~~the expiration of that~~ period unless the Department, in writing, authorizes their destruction or disposal prior to that~~that~~ expiration*. [35 ILCS 120/7] However, if the Department allows a cultivation center to destroy books and records prior to the expiration of the preservation period, the cultivation center is not relieved of any obligation to maintain books and records under any rule or regulation adopted by another State agency to implement the Act.

d) Penalties

1) *Any person who fails to keep books and records or fails to produce books and records for examination, as required by this Section, is liable to pay to the Department, for deposit into the Tax Compliance and Administration Fund, a penalty of:*

A) *$1,000 for the first failure to keep books and record's or produce books and records for examination; and*

B) *$3,000 for each subsequent failure to keep books and records or produce books and records for examination.*

2) *The penalties imposed under this subsection (d) shall not apply if the taxpayer shows that it acted with ordinary business care and prudence.* [35 ILCS 120/7]

(Source: Amended at 44 Ill. Reg. _____, effective _____)

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Hotel Operators' Occupation Tax Act

2) Code Citation: 86 Ill. Adm. Code 480

3)

Section Numbers:	Proposed Actions:
480.101	Amendment
480.105	Amendment

4) Statutory Authority: 20 ILCS 2505/2505-795

5) A Complete Description of the Subjects and Issues Involved: 86 Ill. Adm. Code 480.101 and 480.105, Hotel Operators' Occupation Tax Act ("HOOT") is being amended in response to the changes made by PA 100-213.

Effective July 1, 2017, the HOOT is not imposed upon gross rental receipts received by an entity that is organized and operated exclusively for religious purposes and possesses an active Exemption Identification Number issued by the Department pursuant to the Retailers' Occupation Tax Act when acting as a hotel operator renting, leasing, or letting rooms: in furtherance of the purposes for which it is organized; or to entities that are organized and operated exclusively for religious purposes; possess an active Exemption Identification Number issued by the Department pursuant to the Retailers' Occupation Tax Act; and rent the rooms in furtherance of the purposes for which they are organized.

No gross rental receipts are exempt under subparagraph (2) unless the hotel operator obtains the active Exemption Identification Number from the exclusively religious entity to whom it is renting and maintains that number in its books and records.

Examples were included in the rulemaking which will be helpful to taxpayers.

6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None

7) Will this rulemaking replace an emergency rule currently in effect? No

8) Does this rulemaking contain an automatic repeal date? No

9) Does this rulemaking contain incorporations by reference? No

10) Are there any other rulemakings pending on this Part? No

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

11) Statement of Statewide Policy Objective: This rulemaking does not create or enlarge a State mandate, nor does it modify any existing State mandates.

12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Debra M. Boggess
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield IL 62794

217/782-2844

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: Those that are organized and operated exclusively for religious purposes that act as a hotel operator renting, leasing, or letting rooms

B) Reporting, bookkeeping or other procedures required for compliance: Bookkeeping and record keeping

C) Types of professional skills necessary for compliance: Bookkeeping

14) Small Business Impact Analysis:

A) Types of businesses subject to the proposed rule:

72 Accommodation and Food Services

B) Categories that the Agency reasonably believes the rulemaking will impact, including:

ii. record keeping

15) Regulatory Agenda on which this rulemaking was summarized: January 2020

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 480
HOTEL OPERATORS' OCCUPATION TAX ACT

Section
480.101 Nature, Rate and Scope of the Tax
480.105 Definitions
480.110 Registration and Returns
480.115 Books and Records
480.120 Penalties, Interest and Procedures
480.125 Claims to Recover Erroneously Paid Tax

AUTHORITY: Implementing the Hotel Operators' Occupation Tax Act [35 ILCS 145] and authorized by Section 2505-795 of the Civil Administrative Code of Illinois [20 ILCS 2505].

SOURCE: Adopted July 6, 1962; codified at 8 Ill. Reg. 8611; amended at 13 Ill. Reg. 10693, effective June 16, 1989; amended at 16 Ill. Reg. 3578, effective February 25, 1992; amended at 21 Ill. Reg. 2383, effective February 3, 1997; amended at 21 Ill. Reg. 13654, effective September 29, 1997; amended at 24 Ill. Reg. 17814, effective November 28, 2000; amended at 39 Ill. Reg. 1849, effective January 16, 2015; amended at 43 Ill. Reg. 5109, effective April 17, 2019; amended at 44 Ill. Reg. _____, effective _____.

Section 480.101 Nature, Rate and Scope of the Tax

a) Nature and Rate of Tax

1) The Hotel Operators' Occupation Tax Act imposes a tax upon persons engaged in the business of renting, leasing or letting rooms in a hotel at the rate of 5% of 94% of the gross rental receipts from the renting, leasing or letting, excluding, however, from the gross rental receipts, the proceeds of the renting, leasing or letting to permanent residents of that hotel (i.e., from persons who occupy or have the right to occupy such rooms for at least 30 consecutive days).

2) There is also imposed an additional tax upon persons engaged in the business of renting, leasing or letting rooms in a hotel at the rate of 1% of 94% of the gross rental receipts from the renting, leasing or letting,

excluding, however, from gross rental receipts, the proceeds of the renting, leasing or letting to permanent residents of that hotel.

3) A hotel is any kind of building in which the public may, for a consideration, obtain living quarters or~~,~~ sleeping or housekeeping accommodations (e.g., hunting lodges, camps, cabins, and third-party platform rentals of apartments, houses and rooms). (For a more complete definition of "hotel", see Section 480.105.)

4) The exclusion for permanent residents means that the tax is imposed on the business of renting rooms for use as living quarters, or for sleeping or housekeeping accommodations, when renting is done on a transient basis.

5) The tax is an occupation tax whose legal incidence is on the lessor of the rooms. Nevertheless, persons subject to the tax imposed by the Hotel Operators' Occupation Tax Act may reimburse themselves for their tax liability under the Act by separately stating the tax as an additional charge that may be stated in combination, in a single amount, with any locally imposed hotel operators' occupation tax.

6) Any amount added to a taxable rental charge and collected because of the tax also represents a portion of the gross rental receipts that are subject to the tax. However, the tax rate, instead of being a flat 6% of total receipts, has been adjusted by the General Assembly to be 5% of 94% plus 1% of 94% of total receipts, in order to avoid the payment of tax on amounts added to rental charges because of the tax.

7) Persons who engage in the business of renting, leasing or letting of rooms that are not subject to tax under the Hotel Operators' Occupation Tax Act (e.g., the rentals are only to permanent residents or the rentals are exempt as provided in subsection (b)(8)) are not required to register and remit the tax imposed by the Hotel Operators' Occupation Tax Act.

b) Scope of the Tax − Examples of Taxability and Exemption

1) Since the Hotel Operators' Occupation Tax is imposed on receipts from renting rooms for living quarters, or for sleeping or housekeeping accommodations, the tax does not apply to the receipts from the renting of

rooms for other purposes, such as for use as display rooms or sample rooms, as meeting rooms, as offices or as private dining rooms.

2) Since the tax is limited to the renting of rooms to the "public", a private club that restricts its renting of rooms to its members and their guests would not be liable for the tax on its rental receipts from those rooms.

3) The business of renting rooms to the public for use as living quarters, or for sleeping or housekeeping accommodations, is subject to the tax even if the person paying for the room may be a church (except as provided in subsection (b)(8)), charity or school or some other kind of nonprofit organization, and even if the person paying for the room may be a governmental agency or instrumentality (federal, State or local, or even a foreign government).

4) There is no exemption simply because the lessor of the rooms is a nonprofit organization, such as a church (except as provided in subsection (b)(8)), charity or school. However, a college or other school is not subject to the tax on its receipts from renting rooms to its students for use as living quarters or for sleeping or housekeeping accommodations because this is not the renting of the rooms to the "public". Nevertheless, if the school rents rooms for these purposes to persons who are not enrolled with the school in courses of study for credit, that renting is not being done to students, but is being done to the "public", and the school incurs Hotel Operators' Occupation Tax liability on its rental receipts from this activity, if the lessees do not qualify as permanent residents.

5) Likewise, the renting of rooms on a transient basis to the public for use as living quarters or sleeping or housekeeping accommodations when the lessor is a charitable organization, such as the Y.M.C.A. or the Y.W.C.A., is subject to the Hotel Operators' Occupation Tax.

6) If an operator should make a separate and specific charge for the use of bedding or other facilities furnished in connection with the use of a room as living quarters or for sleeping or housekeeping accommodations, the operator's additional receipts from this source are subject to the Hotel Operators' Occupation Tax. However, that tax does not apply to the operator's receipts from selling food, beverages or other tangible personal property, nor to receipts from the selling of tickets to theatre performances

or other similar activities, nor to other receipts that are not in any way reasonably connected with or attributable to the renting, leasing or letting of rooms for use as living quarters or for sleeping or housekeeping accommodations; provided that exemption for nontaxable receipts cannot be claimed unless supported by proper books and records as provided for in Section 4 of the Hotel Operators' Occupation Tax Act and in Section 480.115.

7) The Hotel Operators' Occupation Tax is not imposed upon gross rental receipts for which the hotel operator is prohibited from obtaining reimbursement for the tax from the customer by reason of a federal treaty (Section 3 of the Act). Under the Vienna Convention, some foreign diplomats are not required to pay reimbursement charges that are similar in nature to taxes.

A) The exemption for rentals to certain diplomatic personnel applies only to diplomatic personnel possessing certain types of diplomatic tax exemption cards issued by the U.S. Department of State, Office of Foreign Missions. There are 2 types of diplomatic tax exemption cards: personal tax exemption cards and mission tax exemption cards. For each of these categories, 2 types of color-coded cards are issued: a blue-striped card that allows an individual or mission to make purchases exempt from all sales and use taxes and taxes on hotel rooms and a striped card of one of several other colors (yellow, green, red, or red-green) that allows an individual or mission to make tax-exempt purchases in all purchase categories except for the restricted purchase categories printed on the colored stripe. In June 2011, the Office of Foreign Missions began issuing newly designed diplomatic tax exemption cards. In addition, the American Institute in Taiwan/Washington issues Mission Tax Exemption Cards and Personal Tax Exemption Cards to officials of the Taipei Economic and Cultural Representative Office. For examples of these cards, see 86 Ill. Adm. Code 130.Illustration A.

B) In documenting this exemption, a hotel operator must obtain the mission's name, the card holder's name, the exemption number, the expiration date, and a photocopy of the diplomatic card.

8) Exemption from Hotel Operators' Occupation Tax

A) *Effective July 1, 2017, the Hotel Operators' Occupation Tax is not imposed upon gross rental receipts received by an entity that is organized and operated exclusively for religious purposes and possesses an active Exemption Identification Number (ExIN) issued by the Department pursuant to the Retailers' Occupation Tax Act when acting as a hotel operator renting, leasing, or letting rooms:*

i) *in furtherance of the purposes for which it is organized; or*

ii) *to entities that:*

- *are organized and operated exclusively for religious purposes;*
- *possess an active ExIN issued by the Department pursuant to the Retailers' Occupation Tax Act; and*
- *rent the rooms in furtherance of the purposes for which they are organized.*

B) *No gross rental receipts are exempt under subsection (b)(8)(A) unless the hotel operator obtains the active ExIN from the exclusively religious entity to whom it is renting and maintains that number in its books and records.*

C) *Gross rental receipts from all rentals other than those described in subsection (b)(8)(A) are subject to the tax imposed by the Hotel Operators' Occupation Tax Act, unless otherwise exempt under that Act.* [35 ILCS 145/3(d-5)]

EXAMPLE 1: A religious organization is organized and operated exclusively for religious purposes and has an active ExIN. It operates a retreat center and organizes and conducts a 3-day marriage counseling seminar and rents rooms to the participants of the seminar. The seminar is in furtherance of its organizational

purposes. The receipts from these rentals are not subject to the Hotel Operators' Occupation Tax under subsection (b)(8)(A).

EXAMPLE 2: Religious Organization A is organized and operated exclusively for religious purposes and has an active ExIN. It operates a retreat center and rents a block of rooms to Religious Organization B. Religious Organization B is organized and operated exclusively for religious purposes, possesses an active ExIN, and provides rooms to the participants of a spiritual seminar it has organized and will conduct. The seminar furthers the organizational purposes of Organization B. Organization A's receipts from these rentals are not subject to the Hotel Operators' Occupation Tax under subsection (b)(8)(A). In this Example, if the rooms are paid for by the individual participants and not by Organization B, Organization A must keep records demonstrating that the individual to whom the room was rented was a participant in the seminar conducted by Organization B. If Organization A does not keep these records, the receipts from those rentals are taxable.

EXAMPLE 3: Religious Organization A is organized and operated exclusively for religious purposes and has an active ExIN. It operates a retreat center. Religious Organization A's organizational documents demonstrate it is organized, in part, to partner with school districts to provide one-on-one support to students to help them overcome the educational and societal challenges they face both in and out of school. Organization B is a not-for-profit organization that provides funds and support to school districts that serve at-risk students. Religious Organization A rents a block of rooms to Organization B for participants attending a seminar conducted by Organization B for educators of at-risk youth. Because the seminar conducted by Organization B is in furtherance of Organization A's organizational purposes, the receipts from the rental to Organization B are not subject to the Hotel Operators' Occupation Tax under subsection (b)(8). In this Example, Religious Organization A must keep records demonstrating that the seminar was in furtherance of its organizational purposes (e.g., a copy of its charter, mission statement, and by laws, as well as any brochures or agendas

pertaining to the seminar). In addition, if the rooms are paid for by the individual participants and not by Organization B, Religious Organization A must keep records demonstrating that the individual was a participant in the seminar conducted by Organization B (e.g., a copy of the seminar's sign-in sheet).

EXAMPLE 4: A religious organization operates a retreat center, is organized and operated exclusively for religious purposes, and has an active ExIN. It rents a block of rooms to persons attending a wedding reception at the center or rents a block of rooms to a not-for-profit organization that conducts a sports-medicine seminar. The receipts from either of these rentals do not qualify for the exemption in subsection (b)(8)(A) because the rentals are neither made in furtherance of the organizational purposes of the religious organization operating the retreat center, nor made to a religious organization organized and operated exclusively for religious purposes that has an active ExIN.

D) Records

i) When a religious organization that has an active ExIN operates a retreat center, conducts an event in furtherance of its organizational purposes, and rents rooms to persons attending that event, the religious organization must obtain and maintain the following: documents demonstrating the nature of the event (e.g., brochures, pamphlets, or agendas of the event); documents demonstrating how the rental of the rooms was in furtherance of its organizational purposes (e.g., a copy of the religious organization's mission statement or charter); and the dates of the room rentals.

ii) When a religious organization that has an active ExIN operates a retreat center and rents rooms to an entity organized and operated exclusively for religious purposes with an active ExIN that conducts an event in furtherance of its organizational purposes, the religious organization operating the retreat center must obtain and maintain the following: the name, address, and phone number or email of the renting religious organization conducting the event;

the renting religious organization's active ExIN; documents demonstrating the nature of the event (e.g., brochures, pamphlets, or agendas of the event); a certification that the room rentals were in furtherance of the organizational purposes of the renting religious organization; the dates of the room rentals; and any contracts between the retreat center and the religious organization that rented the rooms.

iii) When a religious organization that has an active ExIN operates a retreat center and is not conducting an event at the center but rents to another organization that conducts an event that furthers the organizational purposes of the retreat center's religious organization, the religious organization operating the retreat center must obtain and maintain the following: the name, address, and phone number or email of the renting organization conducting the event; documents demonstrating the nature of the event (e.g., brochures, pamphlets, or agendas); a certification by the religious organization operating the retreat center that the room rentals by the renting organization were in furtherance of the retreat center's organizational purposes, and documents demonstrating how the rental of the rooms was in furtherance of the retreat center's organizational purposes (e.g., the retreat center's mission statement or charter); the dates of the room rentals; and any contracts between the religious organization operating the retreat center and the renting organization conducting the event.

c) How to Compute Applicable Tax Rate or Effective Date of New Tax

1) For the purposes of the Hotel Operators' Occupation Tax Act, any tax liability incurred in respect to the renting, leasing or letting of rooms in a hotel shall be computed by applying, to the gross receipts from the renting, leasing or letting, the tax rate in effect as of the date the lessee occupies a specific room or rooms or becomes irrevocably liable to pay rent for the right to occupy a specific room or rooms. Deposits paid in advance shall be deemed to be received as rental receipts when the specific room or rooms to which the deposit is applied as rent shall be deemed to be rented, leased or let within the meaning of the preceding sentence.

2) Likewise, when something that has been exempted becomes taxable as to room renting, leasing or letting that occurs on or after some particular date, the date of renting, leasing or letting for this purpose shall be deemed to be the date when the lessee occupies a specific room or rooms or becomes irrevocably liable to pay rent for the right to occupy a specific room or rooms.

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 480.105 Definitions

"Hotel" means any building or buildings in which the public may, for a consideration, obtain living quarters, sleeping or housekeeping accommodations. The term includes inns, motels, tourist homes or courts, lodging houses, rooming houses, ~~and~~ apartment houses, hunting lodges, camps, cabins, and third-party platform rentals of apartments, houses, and rooms.

"Occupancy" means the use or possession, or the right to the use or possession, of any room or rooms in a hotel for any purpose, or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of the room or rooms.

"Operator" means any person operating a hotel.

"Permanent resident" means any person who occupied or has the right to occupy any room or rooms, regardless of whether it is the same room or rooms, in a hotel for at least 30 consecutive days.

"Rent" or "rental" means the consideration received for occupancy, valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature.

"Room" or "rooms" means any living quarters, sleeping or housekeeping accommodations.

(Source: Amended at 44 Ill. Reg. _____, effective _____)

ILLINOIS STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Student Records

2) Code Citation: 23 Ill. Adm. Code 375

3)

Section Numbers:	Proposed Actions:
375.10	Amendment
375.40	Amendment

4) Statutory Authority: 105 ILCS 10/2 and 4

5) A complete Description of the Subjects and Issues Involved: This Part is being modified to align with the enactment of PA 101-515, effective August 23, 2019, and PA 101-161, effective January 1, 2020. PA 101-515 modifies the definition of "Student Temporary Record" to include information contained in service logs maintained by a Local Education Agency under Section 14-8.02f(d) of the School Code. PA 101-161 provides for different methods a school district may use to notify a parent or student before any school student record is destroyed or information is deleted from that record. This Part must be amended to conform with the changes made by these Public Acts. Other cleanup changes, including School Code and administrative rule references, are made as well.

6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None

7) Will this rulemaking replace any emergency rule currently in effect? No

8) Does this rulemaking contain an automatic repeal date? No

9) Does this rulemaking contain incorporations by reference? No

10) Are there any other rulemakings pending on this Part? No

11) Statement of Statewide Policy Objective: This rulemaking will not create or enlarge a State mandate.

12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days of the publication of this Notice to:

Azita Kakvand

ILLINOIS STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

Illinois State Board of Education
100 North First Street
Springfield IL 62777-0001

217/782-6510
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13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

14) Small Business Impact Analysis: None

15) This rulemaking was not included on the most recent Regulatory Agenda: This rulemaking was not anticipated at the time the Regulatory Agenda was filed.

The full text of the Proposed Amendments begins on the next page:

ILLINOIS STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER I: STATE BOARD OF EDUCATION
SUBCHAPTER k: SCHOOL RECORDS

PART 375
STUDENT RECORDS

Section
375.10 Definitions
375.20 Rights of Students
375.30 Notification
375.40 Maintenance and Destruction of School Student Records
375.50 Cost for Copies of Records
375.60 Emergency Release of Information
375.70 Release of Information
375.75 Public and Nonpublic Schools: Transmission of Records for Transfer Students
375.80 Directory Information
375.90 Challenge Procedures
375.100 Implementation
375.110 Enforcement

AUTHORITY: Implementing and authorized by the Illinois School Student Records Act [105 ILCS 10] and Sections 2-3.13a and 2-3.64a-5 of the School Code [105 ILCS 5].

SOURCE: Emergency rule adopted March 24, 1976; codified at 7 Ill. Reg. 12864; amended at 10 Ill. Reg. 12602, effective July 9, 1986; amended at 12 Ill. Reg. 4818, effective February 25, 1988; amended at 20 Ill. Reg. 15304, effective November 18, 1996; amended at 23 Ill. Reg. 13843, effective November 8, 1999; amended at 26 Ill. Reg. 16202, effective October 21, 2002; amended at 29 Ill. Reg. 5467, effective March 29, 2005; amended at 32 Ill. Reg. 7143, effective April 17, 2008; amended at 32 Ill. Reg. 16475, effective September 29, 2008; amended at 36 Ill. Reg. 2220, effective January 24, 2012; amended at 37 Ill. Reg. 9479, effective June 19, 2013; amended at 39 Ill. Reg. 2449, effective February 2, 2015; amended at 40 Ill. Reg. 2287, effective January 13, 2016; amended at 42 Ill. Reg. 5899, effective March 15, 2018; amended at 44 Ill. Reg. _____, effective _____.

Section 375.10 Definitions

"Accident Report" means documentation of any reportable student accident that

results in an injury to a student, occurring on the way to or from school or on school grounds, at a school athletic event, or when a student is participating in a school program or school-sponsored activity or on a school bus and that is severe enough to cause the student not to be in attendance for one-half day or more or requires medical treatment other than first aid. The accident report shall include identifying information, nature of injury, days lost, cause of injury, location of accident, medical treatment given to the student at the time of the accident, or if~~whether~~ the school nurse has referred the student for a medical evaluation, regardless of whether the parent or~~,~~ guardian, ~~or~~ student (if 18 years or older), or an unaccompanied ~~homeless~~ youth (as defined by 42 USC 11434a) has followed through on that request.

"Act" means the Illinois School Student Records Act [105 ILCS 10].

"Health Record" means medical documentation necessary for enrollment and proof of having certain examinations, as may be required under Section 27-8.1 of the ~~School~~ Code.

"Health-related Information" means current documentation of a student's health information, not otherwise governed by the Mental Health and Developmental Disabilities Confidentiality Act [740 ILCS 110] or other privacy laws, that~~which~~ includes identifying information, health history, results of mandated testing and screenings, medication dispensation records and logs (e.g., glucose readings), long-term medications administered during school hours, documentation regarding a student athlete's and his or her parent's or guardian's~~parents'~~ acknowledgement of the district's concussion policy adopted under Section 22-80~~pursuant to Sections 10-20.53 and 34-18.45~~ of the ~~School~~ Code, and other health-related information that is relevant to school participation (e.g., nursing services plan, failed screenings, yearly sports physical exams, interim health histories for sports).

"Official Records Custodian" means the individual appointed in each school in accordance with Section 4 of the Act who has responsibility for the *maintenance, care and security of all school student records, whether or not the records are in his or her personal custody or control.*

"School Code" or "Code" means 105 ILCS 5.

"School Student Record" has the meaning ascribed to that term~~shall have the meaning set forth~~ in Section 2(d) of the Act, except that school student records shall not include:

Video or other electronic recordings created and maintained by law enforcement professionals working in the school or for security or safety reasons or purposes, provided the information was created at least in part for law enforcement or security or safety reasons or purposes;

Electronic recordings made on school buses, as described~~defined~~ in Section 14-3(m) of the Criminal Code of 2012~~1961~~ [720 ILCS 5~~/14-3~~]; and

Any information, either written or oral, received pursuant to Section 22-20 of the ~~School~~ Code and Sections 1-7 and 5-905 of the Juvenile Court Act of 1987 [705 ILCS 405~~/1-7 and 5-905~~].

The content of a video or other electronic recording may become part of a student's school student record to the extent school officials use and maintain this content for a particular reason (e.g., disciplinary action or~~,~~ compliance with a student's Individualized Education Program) regarding that specific student. Video or other electronic recordings that become part of a student's school record shall not be a public record and shall be released only in conformance with Section 6(a) of the Act and the federal Family Educational Rights and Privacy Act (20 USC 1232g).

"Special Education Records" means school records that relate to identification, evaluation, or placement of, or the provision of a free and appropriate public education to, students with disabilities under the Individuals with Disabilities Education Act (20 USC 1400 et seq.) and Article 14 of the ~~School~~ Code, to include the report of the multidisciplinary staffing conference on which placement or nonplacement was based, and all records and audio recordings in any format relating to special education placement hearings and appeals.

"Student Permanent Record" means and shall consist of the following, as limited by Section 2(d) of the Act:

Basic identifying information, including the student's name and address, birth date and place, and gender, and the names and addresses of the

student's parents;

Evidence required under Section 5(b)(1)~~(5)(b)(1)~~ of the Missing Children~~Children's~~ Records Act [325 ILCS 50~~/5(b)(1)~~];

Academic transcript, including:

grades, graduation date, and grade level achieved;

as applicable, and if allowed by district policy, scores received on college entrance examinations if that inclusion is requested in writing by a student, parent, or person who enrolled the student;

the unique student identifier assigned and used by the Student Information System established pursuant to 23 Ill. Adm. Code 1.75 (Student Information System);

as applicable, designation of an Advanced Placement computer science course as a mathematics-based, quantitative course for purposes of meeting State graduation requirements set forth in Section 27-22 of the ~~School~~ Code;

as applicable, designation of the student's achievement of the State Seal of Biliteracy, awarded in accordance with Section 2-3.159~~2-3.157~~ of the ~~School~~ Code and 23 Ill. Adm. Code 680~~1.442~~ (State Seal of Biliteracy);

as applicable, designation of the student's achievement of the State Commendation Toward Biliteracy, awarded in accordance with 23 Ill. Adm. Code 680~~1.442~~ (State Seal of Biliteracy); and

as applicable, designation of the student's achievement of the Global Scholar Certification, awarded in accordance Section 2-3.169~~2-3.167~~ of the ~~School~~ Code and 23 Ill. Adm. Code 1.443 (Illinois Global Scholar Certificate);

Attendance record;

Health record;

Record of release of permanent record information in accordance with Section 6(c) of the Act; and

Scores received on all State assessment tests administered at the high school level (i.e., grades 9 through 12) (see 105 ILCS 5/2-3.64a-5).~~; and~~

If not maintained in the temporary record, the student permanent record may also consist of:

Honors and awards received; and

Information concerning participation in school-sponsored activities or athletics~~,~~ or offices held in school-sponsored organizations.

No other information shall be placed in the student permanent record.

"Student Temporary Record" means all information not required to be in the student permanent record and shall consist of the following, as limited by Section 2(d) of the Act:

A record of release of temporary record information in accordance with Section 6(c) of the Act;

Scores received on the State assessment tests administered in the elementary grade levels (i.e., kindergarten through grade 8) (see 105 ILCS 5/2-3.64a-5);

The completed home language survey form (see 23 Ill. Adm. Code 228.15 (Identification of Eligible Students));

Information regarding serious disciplinary infractions (i.e., those involving drugs, weapons, or bodily harm to another) *that resulted in expulsion, suspension, or the imposition of punishment or sanction*;

Information provided under Section 8.6 of the Abused and Neglected Child Reporting Act [325 ILCS 5~~/8.6~~] and *information contained in service logs maintained by a local education agency* under Section 14-8.02f(d) of the Code [~~(~~105 ILCS 10/2(f)]~~)~~;

Any biometric information that is collected in accordance with Section 10-20.40 or 34-18.34 of the School Code;

Health-related information; and

Accident Reports.; and

Student temporary record mayMay also consist of:

Family background information;

Intelligence test scores, group and individual;

Aptitude test scores;

Reports of psychological evaluations, including information on intelligence, personality, and academic information obtained through test administration, observation, or interviews;

Elementary and secondary achievement level test results;

Participation in extracurricular activities, including any offices held in school-sponsored clubs or organizations;

Honors and awards received;

Teacher anecdotal records;

Other disciplinary information;

Special education records; or

Records associated with plans developed under section 504 of the federal Rehabilitation Act of 1973 (29 USC 701 et seq.).; and

Any verified reports or information from non-educational persons, agencies, or organizations of clear relevance to the education of the student.

ILLINOIS STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 375.40 Maintenance and Destruction of School Student Records

a) The provisions within the Act and this Part requiring the official records custodian to separate school student records into permanent and temporary categories shall apply only to records of students who are enrolled in the school on or after the effective date~~ of this Part~~. Records of students who have graduated or permanently withdrawn prior to the effective date of this Part are not subject to these classifications except:

1) In compliance with the request of a parent or eligible student that this categorization occur; and

2) The official records custodian shall ensure that information characterized by the Act and this Part as "temporary" shall not be *disclosed except as provided by Section 5 or 6 of the Act or by court order* [105 ILCS 10/4(f)]. For the purposes of this Part, a court order is a document signed by a judge. A subpoena signed by a court clerk, an attorney, or an administrative agency official shall not be considered a court order unless signed by a judge.

b) Pursuant to Section 4(g) of the Act~~ [105 ILCS 10/4(g)]~~, student temporary records shall be reviewed every four years or upon a student's change in attendance centers, whichever occurs first, to verify entries and to eliminate or correct all out-of-date, misleading, inaccurate, unnecessary, or irrelevant information pursuant to Section 375.10~~ of this Part~~. The records review is required in any given school year at the time a student first changes attendance centers within a district, but it does not need to be conducted if the student enrolls in a different attendance center later in that same school year.

c) Destruction of Records

1) Upon graduation, transfer, or permanent withdrawal of a student from a school, the school shall notify the parents and the student of the destruction schedule for the student permanent record and the student temporary record and of the right to request a copy of the student's records at any time prior to their destruction. Notification shall consist of the following: date of notification, name of parent, name of official records

custodian, name of student, and the scheduled destruction date of temporary and permanent records.

2) A school may provide reasonable prior notice to a parent or student through:

A) *notice in the school's parent or student handbook;*

B) *publication in a newspaper published in the school district; or*

C) *if no newspaper is published in the school district:*

i) *in a newspaper of general circulation within the school district;*

ii) *U.S. mail delivered to the last known address of the parent or student; or*

iii) *other means provided the notice is confirmed to have been received.* (Section 4(h) of the Act)

3) Biometric information collected pursuant to the district's policy, if any, shall not be subject to the retention requirements applicable to the remainder of students' temporary records under Section 4(f) of the Act, and its destruction shall not be subject to authorization by the appropriate Local Records Commission under Section 7 of the Local Records Act [50 ILCS 205~~/7~~]. Instead, the destruction of students' biometric information shall conform to the requirements of Section 10-20.40 or 34-18.34~~34-34.18~~ of the ~~School~~ Code, as applicable.

d) Upon graduation or permanent withdrawal of a student with a disability, as defined in Article 14 of the ~~School~~ Code ~~[105 ILCS 5/Art. 14]~~ and 23 Ill. Adm. Code 226~~: Subpart A~~ (Special Education), special education records, and other information contained in the student temporary record that may be of continued assistance to the student may, after five years, be transferred to the custody of the parent or to the student if the student has succeeded to the rights of the parents. The school shall explain to the student and the parent the future usefulness of these records.

e) If a certified copy of an order of protection has been filed with a school district, then the district shall notify its school employees that the student records or information in those records of a protected child identified in the order shall not be released to the person against whom the order was issued (see Section 222(f) of the Illinois Domestic Violence Act of 1986 [750 ILCS 60~~/222(f)~~]).

f) Any final finding report required by Section 8.6 of the Abused and Neglected Child Reporting Act that has been filed in a student's temporary record shall be removed from the student's record and returned to the Department of Children and Family Services (DCFS) upon written request made by DCFS~~the Department~~ pursuant to Section 8.6 of the Abused and Neglected Child Reporting Act. If a school that receives a request from DCFS~~the Department~~ has transferred the report to another school as part of the transfer of the student's records, the sending school shall forward a copy of DCFS'~~the Department's~~ request to the receiving school, which shall comply with this subsection~~ (f)~~. No report other than what is required under Section 8.6 of the Abused and Neglected Child Reporting Act shall be placed in the school student record.

g) School student records shall be maintained for at least the period of time set forth in Section 4 of the Act.

1) The official records custodian shall take all reasonable measures to protect school student records through administrative, technical, and security safeguards against risks, such as unauthorized access, release, or use.

2) With the exception of material eliminated in accordance with subsections (b), (d), and (f)~~ of this Section~~, the destruction or disposal of any records or information contained in those records shall be subject to the provisions of the Act and authorization by the appropriate Local Records Commission (see Section 7 of the Local Records Act).

(Source: Amended at 44 Ill. Reg. _____, effective _____)

ILLINOIS STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Charter Schools

2) Code Citation: 23 Ill. Adm. Code 650

3)

Section Numbers:	Proposed Actions:
650.10	Amendment
650.20	Amendment
650.30	Amendment
650.35	Repealed
650.40	Amendment
650.50	Amendment
650.63	New Section
650.65	Amendment
650.70	Amendment
650.100	Repealed
650.110	Repealed
650.APPENDIX A	Amendment

4) Statutory Authority: 105 ILCS 5/Art.27A

5) A Complete Description of the Subjects and Issues Involved: PA 101-543, signed by Governor Pritzker on Aug. 23, 2019, abolishes the State Charter School Commission effective July 1, 2020. This change will mean that most of the key duties of the Commission revert back to ISBE, including the responsibility to hear and decide appeals of local school board decisions to close existing charter schools. Moreover, the new legislation requires ISBE to appoint and utilize a hearing officer for charter appeals, which is not addressed in the current Part 650 rules. Part 650 needs be updated to remove all obsolete references to the Commission. The proposed rules also define the process and timeline that must be followed to appeal a local school board's decision to revoke or not renew a charter school and ISBE's procedures for processing such appeals. Finally, the proposed rules clarify the circumstances under which charter schools authorized by a local school board may have their authorization transferred to the Board.

6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None

7) Will this rulemaking replace any emergency rule currently in effect? No

8) Does this rulemaking contain an automatic repeal date? No

ILLINOIS STATE BOARD OF EDUCATION

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9) Does this rulemaking contain incorporations by reference? No

10) Are there any other rulemakings pending on this Part? No

11) Statement of Statewide Policy Objective: This rulemaking will not create or enlarge a State mandate.

12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days of the publication of this Notice to:

Azita Kakvand
Illinois State Board of Education
100 North First Street
Springfield IL 62777-0001

217/782-6510
rules@isbe.net

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

14) Small Business Impact Analysis: None

15) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not anticipated at the time the Regulatory Agenda was filed.

The full text of the Proposed Amendments begins on the next page:

ILLINOIS STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION
CHAPTER I: STATE BOARD OF EDUCATION
SUBCHAPTER o: MISCELLANEOUS

PART 650
CHARTER SCHOOLS

SUBPART A: GENERAL PROVISIONS

Section
650.10 Definitions
650.20 Purpose

SUBPART B: ACTIONS OF THE STATE BOARD OF EDUCATION

Section
650.30 Submission to the State Board of Education~~: Local Boards of Education~~
650.35 Submission to the State Board of Education: Commission (Repealed)
650.40 Review of Local Approvals by the State Superintendent of Education ~~of Local or Commission Approvals~~
650.50 Revision of Certified Charters
650.55 Biennial Reporting Requirements
650.60 Appeal of Local School Board Decisions (Repealed)
650.63 Appeal of Local School Board Decisions
650.65 Monitoring of Charter Authorizers by the State Board of Education; Corrective Action
650.70 Procedures for Closing a Charter School

SUBPART C: ACTIONS OF THE STATE CHARTER SCHOOL COMMISSION

Section
650.100 Appeals to, and Requests for Consideration by, the Commission (Repealed)
650.110 Review of Appeals and Requests for Consideration; Decision (Repealed)

SUBPART D: CHARTER SCHOOL REVOLVING LOAN PROGRAM

Section

ILLINOIS STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

650.200 Purpose
650.210 Use of Funds
650.220 Maximum Amount of Loan
650.230 Application Procedures
650.240 Review of Application and Notification of Loan Award
650.250 Repayment Procedures
650.260 Terms and Conditions of Loan Agreement

650.APPENDIX A Principles and Standards for Authorizing Charter Schools

AUTHORITY: Implementing and authorized by Article 27A of the School Code [105 ILCS 5].

SOURCE: Emergency rules adopted at 20 Ill. Reg. 6329, effective April 23, 1996, for a maximum of 150 days; emergency expired; emergency amendment at 20 Ill. Reg. 8677, effective June 25, 1996, for a maximum of 150 days; new Part adopted at 20 Ill. Reg. 15284, effective November 15, 1996; emergency amendments at 22 Ill. Reg. 1479, effective January 1, 1998, for a maximum of 150 days; emergency expired; emergency amendment at 22 Ill. Reg. 5104, effective February 27, 1998, for a maximum of 150 days; emergency expired; amended at 22 Ill. Reg. 16455, effective September 3, 1998; amended at 36 Ill. Reg. 14801, effective September 20, 2012; amended at 38 Ill. Reg. 21916, effective November 3, 2014; amended at 39 Ill. Reg. 8298, effective May 26, 2015; amended at 41 Ill. Reg. 136, effective December 27, 2016; amended at 42 Ill. Reg. 3182, effective January 31, 2018; amended at 44 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS

Section 650.10 Definitions

"Article 27A of the School Code" or the "Charter Schools Law" means 105 ILCS 5.

"Authorizer" has the meaning set forth in Section 27A-3 of the School Code~~ and includes the Commission~~.

~~"Commission" means the State Charter School Commission (see Section 27A-7.5 of the School Code).~~

"Day" means calendar day, unless otherwise specified in this Part. The time within which any action required under this Part must occur shall be determined

in accordance with the provisions of Section 1.11 of the Statute on Statutes [5 ILCS 70/1.11].

"School Code" or "Code" means 105 ILCS 5.

"State Board" means the Illinois State Board of Education.

"State Superintendent" means the State Superintendent of Education.

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 650.20 Purpose

Article 27A of the ~~School~~ Code sets forth the requirements for a charter school and the procedure for consideration of a charter school proposal by a local board of education or~~,~~ by two or more local boards of education pursuant to Section 27A-4(e) of the ~~School~~ Code~~, or by the Commission~~.

a) This Part sets forth the procedures applicable to reporting to the State Board of Education by local school boards ~~and the Commission~~ of the submission of charter school proposals, as required by Sections 27A-8(f) and 27A-9(e) ~~and (f)~~ of the ~~School~~ Code, and of reporting of data regarding the charter schools under the authorizer, as required by Section 27A-12 of the ~~School~~ Code.

b) This Part further sets forth procedures for appeals to the State Board of Education~~Commission~~ of local board of education decisions under Section 27A-9 of the ~~School~~ Code and for the orderly closing of charter schools.

c) This Part also sets forth the procedures for the State Board of Education to remove the power of authorizers to authorize charter schools as provided under Section 27A-12 of the ~~School~~ Code.

(Source: Amended at 44 Ill. Reg. _____, effective _____)

SUBPART B: ACTIONS OF THE STATE BOARD OF EDUCATION

Section 650.30 Submission to the State Board of Education~~: Local Boards of Education~~

Local boards of education shall submit a final report to the State Board of Education as to the

action by the local boards of education with regard to an application for, renewal of, or revocation of a charter. A copy of the report shall be provided to the applicant or charter holder at the same time that the report is submitted to the State Board of Education. Reports shall be submitted as follows.

a) The local board of education shall submit the report to the State Board of Education either by electronic mail or U.S. mail to the address in subsection (f) no(e) not later than seven days after the date of the public meeting at which the board acted on the charter request.

1) For reports submitted by U.S. mail, the report must bear a postmark date of nonot later than seven days following the meeting date.

2) In the case of separate public meetings by each school board involved, the seven days shall begin when the last school board votes on the matter.

b) Section 27A-6 of the School Code provides that a *proposed contract* to open a new charter school or to renew the charter of an existing charter school *must be submitted to and certified by the State Board before it can take effect*.

1) Reports of approved applications or renewals shall consist of the charter school proposal voted upon by each of the local boards of education authorizing the charter school and the contractual agreement.

2) The report also shall be accompanied by each of the forms, to be supplied by the State Superintendent of Education, listed in this subsection (b)(2). Reports lacking one or more of these documents shall be considered incomplete and shall not be reviewed for certification until all required items have been submitted.

A) A form attesting to the local board of education's compliance with all of the procedural requirements and application components set forth in Article 27A of the School Code. The form and the proposed contractual agreement shall be signed by the president of each local school board that is a party to the application and the appropriate officers of the charter school governing body.

B) A budget narrative and financial schedule for the term of the charter.

C) A plan for the provision of special education services to students with disabilities enrolled in the charter school that aligns to the requirements of Article 14 of the ~~School~~ Code ~~[105 ILCS 5/Art. 14]~~ and 23 Ill. Adm. Code 226 (Special Education), and which, for approved applications, shall at least include, but not be limited to, an explanation of how parents of students with disabilities will be informed of their students' eligibility to participate in the charter school lottery held pursuant to Section 27A-4(h) of the ~~School~~ Code and how the charter school will identify students who may be eligible to receive special education services at the charter school.

D) A plan for the provision of educational services for English learners that aligns to the requirements of Article 14C of the ~~School~~ Code ~~[105 ILCS 5/Art. 14C]~~ and 23 Ill. Adm. Code 228 (Transitional Bilingual Education).

c) Reports of denials, revocations or non-renewals shall consist of all of the following:

1) The~~the~~ charter proposal or current charter contract voted upon by each of the local boards of education;

2) A~~a~~ copy of each board's resolution setting forth the board's action and its reasons for the action;

3) Any other documents upon which each board relied in denying the current proposal or revoking or not renewing the contract.

d) Reports of revocations or non-renewals must also contain a notice to the ~~applicant or~~ charter holder to the effect that a ~~denial,~~ revocation or non-renewal of a charter school ~~application or~~ contract may be appealed to the State Board of Education~~Commission~~ within 14~~30~~ days from the date that the school board voted to ~~deny the application or~~ revoke or not renew a contract~~; and any other documents upon which the board relied in denying the current proposal or revoking or not renewing the contract~~.

e~~d~~) Each submission under subsection (b) or (c) also shall include a certification of publication and a copy of the printed notice of the public meeting for each local

board of education involved, as required by Section 27A-8(d) of the ~~School~~ Code.

f~~e~~) Reports shall be submitted via electronic submission to charter@isbe.net or by certified mail, return receipt requested, addressed to:

Illinois State Board of Education
Charter Schools
100 West Randolph Street
Suite 14-300
Chicago, Illinois 60601

~~f) Reports and other documentation pertaining to denials, revocations or non-renewals also shall be submitted to the Commission within the timeframe set forth in subsection (a) via electronic submission to state.charter.commission@illinois.gov or by certified mail, return receipt requested, addressed to:~~

~~State Charter School Commission~~
~~Michael A. Bilandic Building~~
~~160 North LaSalle Street, 6th Floor~~
~~Chicago, Illinois 60601~~

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 650.35 Submission to the State Board of Education: Commission (Repealed)

~~a) Section 27A-9(f) of the School Code provides that, in the event that the Commission *on appeal reverses a local board's decision or if a charter school is approved by referendum, the Commission shall act as the authorized chartering entity for the charter school. The State Board shall determine whether the charter proposal approved by the Commission is consistent with the provisions of Article 27A of the School Code and, if the approved proposal complies, certify the proposal.*~~

~~1) The Commission shall submit a final report to the State Board of Education, in the manner set forth in Section 650.30(a), as to any decision to reverse, on appeal, a local school board's determination with respect to a charter application or renewal, or to approve a charter school proposal established by referendum.~~

~~2) Reports of a reversal on appeal or approval of charters established by referendum shall contain the charter school proposal and the contractual agreement. The report also shall be accompanied by each of the forms listed in Section 650.30(b). Forms that require signature shall be signed by the executive director of the Commission and the appropriate officers of the charter school governing body.~~

~~b) The Commission also shall submit reports of renewal of its charters in the manner set forth in Section 650.30(a). The report shall be accompanied by each of the forms listed in Section 650.30(b). Forms that require signature shall be signed by the executive director of the Commission and the appropriate officers of the charter school governing body.~~

~~c) Reports of denials, revocations or non-renewals shall consist of the charter proposal or current charter contract voted upon by the Commission; a copy of the Commission's resolution setting forth its action and the reasons for the action; and any other documents upon which the Commission relied in denying the current proposal or revoking or not renewing the contract.~~

(Source: Repealed at 44 Ill. Reg. _____, effective _____)

Section 650.40 Review of Local Approvals by the State Superintendent of Education ~~of Local or Commission Approvals~~

a) The State Superintendent shall review each report of an approved application or renewal to determine whether the statutory requirements have been followed and the proposed contractual agreement is complete and compliant with the provisions of Article 27A of the ~~School~~ Code. Proposed contractual agreements that are complete and compliant with the provisions of Article 27A of the ~~School~~ Code shall be certified by the State Superintendent until the maximum authorized numbers of charter schools have been reached. The State Superintendent shall send a certification of the charter to each local school board that is a party to the application ~~or the Commission, as applicable,~~ and the charter school governing body.

b) If a report is incomplete or a proposed contractual agreement fails to comply with any applicable law, the State Superintendent shall so notify each submitting school board ~~or the Commission, as applicable,~~ and the applicant or charter

holder, identifying the areas of deficiency that must be remedied before the proposal can be considered for certification.

c) The State Superintendent shall notify each local school board that is a party to the application ~~or the Commission, as applicable,~~ and the applicant or charter holder as to a determination made with respect to a report of an approved application or renewal by certified mail within 30 days after receipt of the report. (See Section 27A-8(f) of the ~~School~~ Code.)~~.~~

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 650.50 Revision of Certified Charters

a) A material revision to a previously certified contract may go into effect immediately upon approval of both the authorizer and the governing body of the charter school. Should either the authorizer or the governing body of the charter school request in writing that the State Superintendent certify the material revision as being consistent with the provisions of Article 27A, the material revision shall not take effect unless and until the State Superintendent so certifies. (See Section 27A-6(e) of the School Code.)

1) A request for the State Superintendent to certify a material revision shall consist of the revised contractual agreement, any other materials that describe the need for the material revision, and an explanation from the local authorizer or~~and/or~~ charter school governing body as to any legal concerns raised by the material revision.

2) The request also shall be accompanied by the forms specified in Section 650.30(b)(2)(A) and may include the forms specified in Section 650.30(b)(2)(B), (b)(2)(C) or (b)(2)(D), as applicable to the proposed revision.

b) A request for certification of a proposed revision shall be submitted to the State Board of Education in the manner set forth in Section 650.30(f)~~650.30(e)~~. Within 30 days after receiving the request for certification, the State Superintendent shall either:

1) Certify that the proposed revision is consistent with the provisions of Article 27A of the ~~School~~ Code; or

2) Request additional information as may be needed to render a decision.

c) The following revisions to a certified contract or a renewal are considered material for purposes of this Section. Any proposed revision not listed in this subsection (c), except those set forth in subsection (d), should be presumed material and shall be subject to the requirements of this Section.

1) Enrollment growth beyond 20 percent or expansion beyond the grade levels listed in the certified charter.

2) Transferring the charter to another non-profit entity.

3) Altering the mission of the charter or the targeted student population.

4) Employing or terminating a management company.

5) Any change to the charter with respect to the National School Lunch Program (7 CFR 210~~210.10~~ (2012)).

6) Any change to the charter with respect to the provision of student transportation.

d) The following revisions to a certified contract are not considered material for purposes of this Section.

1) Bylaws.

2) Relocation.

3) The name of the charter school.

4) The articles of incorporation.

5) Class sizes as stated in the application.

6) Length of school day or~~and/or~~ academic year.

7) Curriculum changes.

(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 650.63 Appeal of Local School Board Decisions

a) A charter holder may appeal to the State Board of Education a local school board report that revokes or refuses to renew a charter. Any appeal must be submitted to the State Superintendent no later than 14 days after the local school board voted on the charter revocation or non-renewal.

1) The appeal shall be submitted electronically to the State Superintendent at charterappeals@isbe.net, with a copy sent by certified mail or electronic mail to the local school board.

2) Based on the information available to the charter holder, the appeal submitted by the charter holder shall state the reason why the decision of the local school board should be overturned.

3) Any appeal not submitted within the deadline specified in this subsection (a) will not be considered by the State Superintendent, and the State Superintendent will notify the applicant that the appeal will not be considered.

b) The State Superintendent will conduct a documentary review of the materials submitted with any appeal that is filed within the deadline specified in subsection (a), which, at the State Superintendent's discretion, may be conducted by State Board personnel or independent evaluators. The parties shall submit any additional information that the State Superintendent determines is necessary to consider the appeal.

c) Hearings on Charter Appeals

1) The State Superintendent will select a hearing officer no later than 7 days after receipt of any appeals that are timely filed under subsection (a). The State Superintendent will also issue a written Notice of Opportunity for Hearing, which shall be served upon the local school board and the charter holder.

A) The Notice of Opportunity for Hearing must include a copy of the appeal and the electronic or mailing address to which the recipient of the Notice must send the request for hearing.

B) A request for hearing must be submitted to the State Superintendent within 10 days after receipt of the Notice of Opportunity for Hearing.

2) If no hearing is requested in accordance with this subsection (c), the hearing officer shall issue an order finding that no hearing has been requested and that a proposed order will be generated in accordance with subsection (d)(3).

3) No later than 10 days following the appointment of the hearing officer, the hearing officer shall contact the parties or their counsel to schedule an initial pre-hearing conference. The pre-hearing conference must be convened and conducted no later than 30 days after the State Superintendent selects the hearing officer under subsection (c)(1).

4) At the conclusion of the pre-hearing conference, the hearing officer shall issue to the parties a Notice of Hearing, which must be served no fewer than 14 days before the day designated for the hearing, unless otherwise agreed to by all parties to the matter. The Notice of Hearing must include the date, time, and location of the hearing. The hearing must be conducted at either the State Board's Springfield office or Chicago office, unless the State Superintendent, local school board, and charter holder all agree on an alternative location. No less than 48 hours before the hearing, the Notice of the Hearing will be posted on the State Board's website and at the principal office holding the meeting.

5) A local school board may submit to the State Superintendent a formal response to the appeal. If the hearing officer receives this response before the date of the hearing, he or she must consider it as part of his or her proposed order under subsection (d)(2).

6) The following shall be the order of proceedings for all hearings concerning a local school board's decision to revoke or not renew a charter, subject to modification by the hearing officer for good cause:

A) Oral presentation by the charter holder of up to 45 minutes to address the reasons why the decision of the local school board should be overturned. The charter holder may cede any part of its time to any member of the public who wishes to speak on the charter holder's behalf.

B) Oral presentation by the local school board or boards of up to 45 minutes each to address the reasons why a local school board's decision was proper under Article 27A of the School Code. The local board may cede any part of its time to any member of the public who wishes to speak on the local board's behalf.

C) Questions to the charter holder to clarify any issues or to address any deficiencies noted by State Board personnel or independent evaluators through the documentary review conducted under subsection (b).

D) Questions to the local school board to clarify any issues or to address any deficiencies noted by State Board personnel or independent evaluators through the documentary review conducted under subsection (b).

7) A hearing conducted under this subsection (c) must be open to the public.

d) Proposed Orders

1) In reviewing appeals, the State Board will consider whether the charter school subject to closure *is in compliance with Article 27A of the Code and is in the best interests of the students the charter school is designed to serve*. (Section 27A-9(e) of the Code)

2) No later than 14 days after the close of a hearing, the hearing officer shall issue proposed findings of fact and conclusions of law and make recommendations by way of a proposed order that complies with Section 10-45 of the Illinois Administrative Procedure Act [5 ILCS 100] (IAPA). These recommendations must be made upon consideration of the record as a whole or any portion of the record as may be supported by competent, material, and substantial evidence. After the hearing officer issues his or her proposed order to the State Superintendent, the State Superintendent

will review the record and the hearing officer's findings of fact, conclusions of law, and recommendations and may accept, reject, or modify the hearing officer's recommendation.

3) If no hearing is conducted under this Section, the State Superintendent will review any appeal materials submitted by the parties and any additional analysis conducted by State Board personnel or independent evaluators under subsection (b), and will make a recommendation, by way of a proposed order that complies with IAPA Section 10-45.

4) The State Superintendent will forward a copy of the proposed findings of fact, conclusions of law, and recommendations to both the charter holder and the local school board or boards.

e) Final Decision

1) The State Superintendent will submit his or her findings and recommendation, together with any exceptions or briefs, to the State Board for a final decision.

2) A copy of the final decision will be sent by certified mail to each party no later than 60 days after receipt of the appeal, after receipt of any additional information requested under subsection (b), after the date of the hearing conducted under this Section, or after receipt of any exceptions or briefs filed in accordance with IAPA Section 10-45, whichever occurs last. The State Board's failure to strictly comply to the time constraints under this subsection (e)(2) does not invalidate the State Board's final decision.

3) The decision of the State Board is final unless appealed under the Administrative Review Law [735 ILCS 5/Art. III], as provided in Section 27A-9(e) of the Code.

f) Any appeal not finalized by the State Charter School Commission by June 30, 2020 will be determined by the State Board in accordance with this Section. The State Superintendent may extend the time for review as necessary for thorough review, but in no case may the extension exceed the time that would have been available had the appeal been submitted to the State Board on July 1, 2020.

(Source: Added at 44 Ill. Reg. _____, effective _____)

ILLINOIS STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

Section 650.65 Monitoring of Charter Authorizers by the State Board of Education; Corrective Action

In accordance with Section 27A-12 of the School Code, the State Board of Education shall rely on information reported by authorizers pursuant to Section 650.55 and *ongoing monitoring of both charter schools and authorizers* to determine whether *to remove the power to authorize from any authorizer in this State if the authorizer does not demonstrate a commitment to high-quality authorization practices and, if necessary, revoke* the charters of *the chronically low-performing charters authorized by the authorizer at the time* the power to authorize is removed. [105 ILCS 5/27A-12]

a) A charter school authorizer may be subject to corrective action, including but not limited to removal of chartering authority, in the following circumstances:

1) Failure to develop chartering policies and practices consistent with the principles and standards set forth in Appendix A (see Section 27A-7.10(e) of the ~~School~~ Code);

2) Failure to comply with any State or federal statutory or regulatory requirement for charter authorization;

3) Failure to require a plan of remediation pursuant to Section 27A-9(c) of the ~~School~~ Code for, ~~and/~~or to close, charter schools that:

A) committed a material violation of any of the conditions, standards or procedures set forth in the charter; ~~and/~~or

B) violated any provision of law from which the charter school was not exempted under Article 27A of the ~~School~~ Code;

4) Failure to require a plan of remediation pursuant to Section 27A-9(c) of the ~~School~~ Code for, ~~and/~~or to close, charter schools that:

A) have exhibited low student performance as evidenced by:

i) a school's student achievement being among the lowest 5 percent of schools in the State, as determined by a three-

year average of State assessment results for all students in reading and mathematics;

ii) if the charter school is a high school, an average graduation rate of less than 60 percent over the three school years immediately preceding the year in which corrective action is being considered; or

iii) receipt of a school improvement grant under Section 1003(g) of Title I of the Elementary and Secondary Education Act of 1965 (20 USC 6301 et seq.); and/or

B) fail to meet performance targets and standards established by the authorizer in a charter school performance plan by the timelines specified in the plan;

5) Failure to require a plan of remediation pursuant to Section 27A-9(c) for, ~~and/~~or to close, charter schools for financial mismanagement or failure to meet generally accepted standards of fiscal management; ~~and/~~or

6) A pattern of evidence-based complaints about the authorizer or any of its public charter schools, filed with the State Superintendent of Education in accordance with subsection (b).

b) A complaint alleging that an authorizer has violated a requirement of Article 27A of the ~~School~~ Code or this Part may be submitted in writing to the State Superintendent ~~of Education~~ no later than one calendar year from the date of the alleged violations.

1) The written complaint shall include:

A) A statement as to which provision of law or rules has been violated;

B) The date or dates upon which the violation occurred;

C) The facts on which the statement is based; and

D) The signature and contact information for the complainant.

2) A complaint submitted in accordance with subsection (b)(1) shall be considered by the State Superintendent~~ of Education~~ unless:

A) It clearly appears on its face to be frivolous, trivial or designed or intended primarily to harass the authorizer;

B) The State Superintendent~~ of Education~~ has documentation that the authorizer already is satisfactorily addressing issues that are substantially the same as those raised in the complaint;

C) Prior to any action by the State Superintendent~~ of Education~~, the complainant withdraws the complaint; or

D) The alleged violation occurred more than one calendar year after the complaint was submitted to the State Superintendent~~ of Education~~.

3) At the conclusion of any complaint investigation, the State Board will~~shall~~ provide to the complainant a written decision that addresses each allegation in the complaint and contains:

A) Findings of fact and conclusions with respect to those allegations;

B) The reasons for the State Board of Education's final decision; and

C) Orders for any actions or sanctions, including, without limitation, technical assistance activities and negotiation, imposed against the authorizer ~~and/~~or any charter schools under its jurisdiction.

c) When the State Superintendent of Education has information that the authorizer may meet one or more of the conditions specified in subsection (a), or upon a determination that a complaint submitted pursuant to subsection (b) is within the State Board of Education's jurisdiction (i.e., alleges a violation of Article 27A of the~~ School~~ Code or this Part) and merits consideration (e.g., subsection (b)(2)), the State Superintendent shall provide written notification to the authorizer enumerating the deficiencies found or the particulars of the complaint filed against the authorizer and providing a copy of the complaint, redacting any

information that is protected from disclosure under one or more exemptions enumerated in the ~~Illinois~~ Freedom of Information Act [5 ILCS 140].

1) The written notification shall be sent by certified mail, return receipt requested, to the authorizer, and a copy of the notification shall be provided by regular U.S. mail to the complainant.

2) Upon receipt of the notification, the authorizer shall have no more than 15 days to provide a written response to the State Board ~~of Education~~. The authorizer and the State Superintendent ~~of Education~~ may mutually agree to a longer time for response, but in no case shall the response time exceed 45 days. The written response shall be addressed to the General Counsel, Illinois State Board of Education, 100 West Randolph Street, Suite 14-300, Chicago, Illinois 60601.

3) The authorizer's written response shall include a statement addressing any of the deficiencies cited by the State Superintendent ~~of Education~~ or the issues raised in a complaint, as well as any documentation requested by the State Superintendent.

4) The authorizer shall provide a copy of the written response and any supporting documentation to the complainant within the timelines established pursuant to subsection (c)(2).

d) Reasonable Inquiry

1) The State Superintendent of Education may conduct a reasonable inquiry to determine if the authorizer has violated any of the provisions of Article 27A of the ~~School~~ Code or this Part if:

A) The authorizer fails to respond to the complaint within the timeframe specified in subsection (c);

B) The authorizer denies the allegations in the complaint;

C) It cannot otherwise be determined on the face of the complaint and the authorizer's response as to whether the authorizer has violated any Section of the Charter Schools Law or this Part; or

D) In the authorizer's initial response, the authorizer concedes noncompliance and agrees to take appropriate remedial action, but:

i) The complainant submits additional documentation, either orally or in writing, alleging that no remedial action has occurred or that remediation was not completed within the timeframe committed to by the authorizer; or

ii) The State Superintendent~~ of Education~~ finds that no remedial action has occurred or remediation was not completed within the timeframe committed to by the authorizer.

2) The reasonable inquiry may include one or more of the following steps, which may be conducted by State Board of Education personnel, or an outside entity, at the State Superintendent's~~Superintendent of Education's~~ discretion. The State Superintendent shall notify the authorizer in advance of commencing the reasonable inquiry of the identity of any outside entity to be used to conduct the inquiry.

A) Review of all or selected portions of the authorizer's policies, practices, education records or curriculum;

B) Contact with individuals from the authorizer or any charter school under the authorizer's jurisdiction who might reasonably be expected to have information relevant to identified deficiencies or the allegations of the complaint;

C) Desk audit, whereby the State Superintendent~~ of Education~~ would require submission or complete access to materials or data from the authorizer or any charter school under the authorizer's jurisdiction that the State Superintendent~~ of Education~~ determines will assist him or her in responding to the identified deficiencies or the allegations in the complaint; ~~and/~~or

D) Technical assistance as needed to attempt to bring the authorizer into compliance.

e) If the reasonable inquiry results in a determination of noncompliance, the State Superintendent shall provide a written notification of noncompliance to the authorizer by certified mail, return receipt requested. The notification of noncompliance shall specify the following:

1) All formal findings of noncompliance specific to the statutory or regulatory violations that led to the finding of noncompliance, to include any new allegations raised during the reasonable inquiry conducted pursuant to subsection (d);

2) The timeframe within which the areas of noncompliance must be cured;

3) The technical assistance available to the authorizer, if applicable;

4) The consequences that may be imposed by the State Board of Education should the authorizer fail to address the areas of noncompliance (see subsection (i)); and

5) A statement informing the authorizer that it may seek a conference with representatives of the State Board of Education to dispute the findings of noncompliance, including those resulting from any new allegations raised during the reasonable inquiry conducted pursuant to subsection (d), by submitting a written request to the address specified in subsection (c)(2) within 15 days after receiving the notification of noncompliance.

f) Within 60 days after the date of receipt of notification of noncompliance issued under subsection (e), or within 60 days after the date of any conference scheduled pursuant to subsection (e)(5), whichever is later, the authorizer shall submit to the State Superintendent a corrective action plan that conforms to the requirements of subsection (g). The authorizer and State Superintendent~~ of Education~~ may mutually agree to a longer time for response, but in no case shall the response time exceed 90 days. The plan must be signed by the president and secretary of the local board of education, pursuant to Section 10-7 of the Code, as evidence that the board adopted a resolution authorizing its submission.

~~1) If the authorizer is a local school board, the plan shall be signed by the president and secretary of the local board of education pursuant to Section 10-7 of the School Code, as evidence that the board adopted a resolution authorizing its submission.~~

~~2) If the authorizer is the Commission, the plan shall be signed by the chairman of the Commission as evidence that the Commission adopted a resolution authorizing its submission.~~

g) The State Superintendent of Education shall approve or disapprove a corrective action plan no later than 30 days after its receipt from the authorizer and shall notify the authorizer in writing of that decision.

1) The State Superintendent shall approve a plan if it:

A) Specifies the steps to be taken by the authorizer that are directly related to the area or areas of noncompliance cited;

B) Provides evidence that the authorizer has the resources and ability to take the steps described without giving rise to other issues of compliance that would subject the authorizer to corrective action; and

C) Specifies a timeline for correction of the cited deficiencies that is demonstrably linked to the factors leading to noncompliance and is no longer than needed to correct the identified problems.

2) If no plan is submitted, or if no approvable plan is received within the timeframe required under subsection (f), the State Board of Education may impose sanctions against the authorizer in accordance with subsection (i).

h) If, at any time while a plan for corrective action is in effect, the State Board~~ of Education~~ determines that the agreed-upon actions are not being implemented in accordance with the plan or the underlying areas of noncompliance are not being remedied, the State Board~~ of Education~~ may impose sanctions in accordance with subsection (i).

i) Sanctions Against an Authorizer
In accordance with Section 27A-12 of the~~ School~~ Code, the State Board of Education may remove an authorizer's power to authorize charter schools. For the purposes of this Section, "removal of the power to authorize" means~~shall mean~~ removal of an authorizer's power to approve and oversee any new charter schools~~,~~

~~and/~~or removal of an authorizer's power to oversee charter schools already operating that are under the jurisdiction of the authorizer.

1) An authorizer that is subject to sanctions pursuant to this Section may make an oral presentation to the State Board. A request to make an oral presentation must be submitted in writing and postmarked no later than 30 days from the date of receipt of notice that sanctions may be imposed, and must identify the specific agency findings with which the authorizer disagrees. The State Board shall consider oral presentations and written documents presented by staff and interested parties prior to rendering a final decision.

2) In the event that chartering authorization is removed, the State Board~~ of Education~~ shall determine the status of each charter school within the authorizer's portfolio. With respect to each charter school, the State Board may:

A) Allow the charter school to continue operating under the jurisdiction of the authorizer;

B) Terminate the existing charter agreement between the authorizer and the governing board of the charter school and transfer the charter school to the State Board~~another authorizer~~ in accordance with subsection (j); or

C) Terminate the existing charter agreement between the authorizer and the governing board of the charter school and close the charter school in accordance with subsection (k).

j) Transfer of Charter Schools

1) Based upon a recommendation of the State Superintendent of Education, the State Board of Education may order that the authorization for any charter school~~a change in authorizer for charter schools~~ under the jurisdiction of a local school board~~an authorizer~~ that has had its power to authorize charter schools removed under this Section be transferred to the State Board.~~ Unless compelling reasons justify a different recommendation:~~

~~A)~~ ~~The State Superintendent shall recommend a transfer to the Commission in the case of sanctions against a local school board authorizer; or~~

~~B)~~ ~~The State Superintendent shall recommend a transfer to the school board for the district or districts of student residency in the case of sanctions against the Commission.~~

2) The State Superintendent~~ of Education~~ shall provide written notification of the transfer recommendation by certified mail, return receipt requested, to the governing bodies of any charter school subject to transfer. If the charter school does not consent to the transfer, it must provide written notification to the State Superintendent no later than 14 days after receipt of the transfer recommendation. If the State Superintendent does not receive this notification, he or she shall present the transfer recommendation at a meeting of the State Board and the State Board will vote on whether to enter into a charter agreement with the charter school.~~ and the entity recommended to become the authorizer.~~

~~3)~~ ~~The governing bodies of any charter school that is subject to the transfer recommendation and the entity recommended to become the authorizer shall follow the same process and be subject to the same timelines for review as set forth in Section 27A-8 of the School Code to determine whether to enter into a contractual agreement for authorization. Until the process is complete, the charter school shall remain open under its current authorizer.~~

A) The~~If the charter school does not consent to the transfer, the~~ State Board will~~ of Education shall~~ order a~~the~~ charter school that does not consent to a transfer under this subsection (j) to close. Prior to this direction, the State Board will~~of Education shall~~ permit members of the governing board of the charter school subject to closure to present written and oral comments to the State Board~~ of Education~~.

B) Any closure of a charter school pursuant to~~ this~~ subsection (j)(2)(A)~~(j)(3)(A)~~ shall follow the procedures set forth in Section 650.70~~ (Procedures for Closing a Charter School)~~.

~~B)~~ ~~If the entity recommended to become the authorizer does not consent to the transfer, the State Board of Education shall direct the State Superintendent of Education to either recommend an alternative authorizer to which the charter school will be transferred in accordance with the requirements of this Section or to close the charter school by following the procedures set forth in Section 650.70.~~

3~~4~~) Except in the case of an emergency that places the health, safety or education of the charter school's students at risk, the transfer of the charter school to the State Board~~its new authorizer~~ shall occur at the end of the school year.

4~~5~~) The term of the contract with the State Board~~a new authorizer~~ after a transfer of authorizers may be for a period not to exceed five years following the date the State Board voted to assume jurisdiction over the transferred charter school~~effective date of the certification of the new charter school in accordance with Article 27A of the School Code and this Part~~.

k) Closure of Charter Schools

1) The State Board of Education may order any charter school under the jurisdiction of the authorizer that has had its power to authorize charter schools removed under this Section to close if the State Board~~ of Education~~ clearly demonstrates that the charter school did any of the following or otherwise failed to comply with the requirements of Article 27A of the~~ School~~ Code:

A) Exhibited low student performance, as defined in subsection (a)(4)(A), ~~and/~~or failed to meet performance targets and standards established by the charter school's authorizer in a charter school performance plan within the timelines specified in the plan;

B) Mismanaged its finances or failed to meet generally accepted standards of fiscal management;

C) Violated any provision of law from which the charter school was not exempted pursuant to Section 27A-5 of the ~~School~~ Code; ~~and/~~or

D) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.

2) Prior to the State Board ~~of Education's~~ ordering any charter school to close under this subsection (k), the State Superintendent will~~of Education shall~~ provide written notification by certified mail, return receipt requested, to the governing board of the charter school subject to closure. The notice shall summarize the reasons for the closure recommendation and provide, as applicable, the formal opinion pertaining to the recommendation.

3) The governing board of the charter school subject to closure shall have seven days from the date of receipt of the State Superintendent's notice to request the opportunity to present written and oral comments to the State Board ~~of Education~~ about the closure recommendation.

4) Any closure of a charter school pursuant to this subsection (k) shall follow the procedures set forth in Section 650.70.

l) An authorizer that has had its power to authorize charter schools removed pursuant to this Section may petition the State Board ~~of Education~~ for a return of authorizing powers. The State Board of Education will~~shall~~ reinstate the power to authorize to an authorizer if the authorizer clearly demonstrates that:

1) Any noncompliance matters that resulted in the sanctions have been resolved;

2) The authorizer has developed systems and processes to ensure that the noncompliance issues that resulted in the sanctions will not recur; and

3) The authorizer has participated in a State-level~~State-~~ or national-level training program designed to develop the capacity and effectiveness of charter school authorizers~~, including but not limited to any training programs offered by the Commission, provided that the Commission is not the sanctioned authorizer submitting the petition for reinstatement~~.

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(Source: Amended at 44 Ill. Reg. _____, effective _____)

Section 650.70 Procedures for Closing a Charter School

The governing body of a charter school that is closing, whether voluntarily or involuntarily, shall be subject to the requirements of this Section.

a) Required Notices

1) Except in the case of an emergency, when the health, safety or education of the charter school's students is at risk, any notice of a charter school's closing required under subsection (a)(2) shall be provided:

A) at least 60 days before the end of the school year in which the closure will take place for a charter school that is closing involuntarily (i.e., has had its charter revoked or not renewed); or

B) at least 60 days before the scheduled closing date for a charter school that is voluntarily closing.

2) The governing body or its designee shall provide notice of the charter school's closure:

A) to the charter school's employees, including the date of closure;

B) to the parents or guardians of the students attending the school and to the superintendent of each school district in which any of the charter school's students reside, including:

i) the date of closure; and

ii) the procedures the parents or guardians should follow in order to continue their children's education within the public schools;

C) to the entity that authorized the charter school and to the State Superintendent of Education, submitted by certified mail, return receipt requested, and including:

i) the date of closure;

ii) the name, address, and telephone number of the person who will be responsible for making arrangements for the closure; and

iii) copies of the notices required by subsection~~subsections~~ (a)(2)~~(A) and (a)(2)(B) of this Section~~.

b) Disposition of Assets
Any unspent public funds and other property and assets of the charter school shall be disposed of in the manner set forth in Section 27A-10.10 of the ~~School~~ Code.

c) Student Records
The governing body or its designee shall transfer its students' permanent and temporary records, as defined in ~~(see~~ 23 Ill. Adm. Code 375.10,~~; Definitions)~~ to the school's chartering entity or entities, as set forth in 23 Ill. Adm. Code 375.75, ~~(Public and Nonpublic Schools: Transmission of Records for Transfer Students),~~ except that, if the State Board~~Commission~~ is the chartering entity, each student's permanent record shall be transferred to his or her district of residence.

d) Other Records
The governing body or its designee shall prepare all the school's records for transfer to the chartering entity or entities. These records shall include, but need not be limited to:

1) the minutes of the meetings of the governing body;

2) the school's policy manual;

3) the manuals setting forth the school's administrative, accounting, and personnel-related procedures;

4) all personnel files, including service records and information regarding teachers' licensure;

5) all teachers' schedules;

6) all inventory records for fixed assets (i.e., tangible property used in operating the charter school);

7) bank statements, including any canceled checks returned by the financial institution;

8) corporate credit card statements and invoices;

9) accounting reports, budgets, journals, ledgers, and registers;

10) annual financial reports prepared by independent auditors;

11) all agreements, contracts, and records of arrangements, including any exhibits, amendments, or other supporting documentation;

12) all Internal Revenue Service forms used and any supporting documentation;

13) all Teachers' Retirement System forms used and any supporting documentation;

14) purchase requisitions and purchase vouchers, including supporting documentation such as vendors' invoices, store receipts, or travel itineraries;

15) vouchers for reimbursement of staff expenses, including travel, with any supporting documentation; and

16) all electronic files containing financial records pertaining to the school.

e) Requirements for Inventory Records
For each fixed asset of the charter school (i.e., land, buildings, machinery, equipment, furniture, and fixtures), the inventory record shall include the following information:

1) a description of the fixed asset;

2) a manufacturer's serial number, model number, federal or national stock number, or other identifying number, if applicable;

3) an indication as to whether local, State, ~~and/~~or federal funds were used to acquire the asset, along with information from which the percentage of State ~~and/~~or federal participation can be calculated;

4) whether title to the asset vests in the charter school, an agency of State government, or the federal government;

5) the acquisition date (or the date received, if the asset was furnished by a donor) and cost;

6) the location and condition of the fixed asset and the date as of which this information was last reported (e.g., the date of the last physical inventory taken by representatives of the charter school);

7) information as to the ultimate disposition of the fixed asset, including the date of disposal and sale price, or, when the charter school has compensated a State or federal agency for its share in the asset, the method used to determine the current fair market value.

f) Final Financial Accountability

1) The governing body or its designee shall cause a final audit of the charter school to be performed by an independent auditor after all the school's assets have been liquidated and its accounts payable have been settled. The governing body or its designee shall provide a copy of the audit report to the chartering entity.

2) If the governing body has been unable to liquidate all the school's accounts payable, the governing body or its designee shall inform the chartering entity or entities of any outstanding obligations. The chartering entity shall not, however, be responsible for any obligation of a charter school not specified in the charter agreement.

3) The governing body shall designate an individual who will complete any expenditure reports or other fiscal documentation that may be required by the State Board of Education.

(Source: Amended at 44 Ill. Reg. _____, effective _____)

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SUBPART C: ACTIONS OF THE STATE CHARTER SCHOOL COMMISSION

Section 650.100 Appeals to, and Requests for Consideration by, the Commission (Repealed)

~~a) An applicant for a charter or a charter holder may appeal to the Commission a local school board report that denies, revokes or refuses to renew a charter. An applicant for a charter also may submit its proposal to the Commission for consideration in situations in which the local school board fails to act on the proposal within a timely manner. (See Section 27A-8(d) and (e) of the School Code.) Any appeal or request for consideration shall be submitted to the Commission no later than 30 days after:~~

~~1) the date that the school board voted to deny the application; or~~

~~2) the date by which the school board was to, but did not, hold a public meeting (see Section 27A-8(d) of the School Code); or~~

~~3) the date by which the school board was to, but did not, vote on the charter request (see Section 27A-8(e) of the School Code).~~

~~b) The appeal or request for consideration must be submitted electronically to the Commission at state.charter.commission@illinois.gov, with a copy sent by certified mail or electronic mail to the school board.~~

~~c) Appeals of School Board Decisions to Deny, Revoke or not Renew a Charter The applicant, to the extent possible, must state the reasons why the decision of the school board should be reversed.~~

~~d) Consideration of Requests Due to Local Inaction~~

~~1) The applicant shall state the reasons why the proposal should be granted.~~

~~2) The applicant shall list the date the charter school proposal was submitted to the school board for consideration and, if a public meeting was held in accordance with Section 27A-8(c) of the School Code, the date of the public meeting and a statement that the school board failed to vote on the request within 30 days after the meeting being held.~~

~~e) The parties shall submit to the Commission any additional information that the Commission determines is necessary to decide the appeal or consider a request submitted due to the local board's inaction.~~

~~f) Any appeal or request for consideration not submitted within the applicable deadline specified in subsection (a) shall not be considered, and the Commission shall provide notification to the applicant to this effect.~~

(Source: Repealed at 44 Ill. Reg. _____, effective _____)

Section 650.110 Review of Appeals and Requests for Consideration; Decision (Repealed)

~~a) Within seven days after receiving an appeal or a request to consider due to a school board's inaction, the Commission shall inform each party (i.e., charter school applicant and school district) of the following:~~

~~1) the time, date and location of the public meeting to hear the appeal or consider the request that is scheduled no later than 45 days after the Commission received the appeal or request for consideration;~~

~~2) a notice provided to both parties that either party may provide a written request for an opportunity to make an oral presentation before the Commission during the public meeting at which the Commission shall hear the appeal or consider the request. This request shall be submitted no later than seven days prior to the date set for the meeting; and~~

~~3) the time, date and location of any interviews the Commission may wish to schedule with the parties in advance of the public meeting.~~

~~b) When practicable, the Commission's designees (e.g., Commission staff, independent evaluators assigned by the Commission) shall conduct any interviews in the presence of both parties. Unless otherwise required by Illinois law, the interviews shall not be open to the public.~~

~~c) In addition to the timeline provided under subsection (a) of this Section, the Commission shall provide each party with a reminder notice at least five days in advance of the public meeting to be held to hear the appeal or consider the~~

~~request. A public meeting conducted under this subsection (c) shall comply with the Open Meetings Act [5 ILCS 120].~~

~~1) If either party has requested an oral presentation, the Commission shall provide each party with an equal amount of time to make the oral presentation to the body and to respond to the Commission's questions.~~

~~2) The Commission shall reserve time at the public meeting to take testimony or comments from the public.~~

~~3) In so far as possible, the Commission shall hold the public meeting at or near the school district involved in the appeal or request for consideration.~~

~~d) The Commission shall render a decision no later than 30 days after the conclusion of the public meeting and shall announce that decision either during the public meeting held to consider the appeal or request for consideration or during another publicly scheduled meeting held within the required 30-day timeline.~~

~~1) In reviewing appeals or whether to grant a charter due to a school district's inaction, the Commission shall consider whether the charter proposal is in compliance with Article 27A of the School Code and is in the best interests of the students the charter school is designed to serve. (Section 27A-8(h) of the School Code) In order to determine whether a proposal satisfies both prongs under Section 27A-8(h), the Commission shall conduct a de novo review of the proposal and the district's response. Pursuant to this review, the Commission shall not give deference to any finding of fact or conclusion of law made by the local board of education with respect to the proposal or any information provided by the charter school applicant.~~

~~2) If the appeal or request for consideration, as a matter of law, does not comply with the Charter Schools Law, or if the charter proposal is not in the best interest of the students, the Commission shall issue a final decision to the parties containing the Commission's reasons for denying the appeal or request for consideration.~~

~~3) If the Commission finds that the charter school proposal complies with Article 27A of the School Code and is in the best interest of the students to be served, it shall issue a final decision to the parties containing the~~

~~Commission's reasons for approving the appeal or request for consideration.~~

~~4) A copy of any decision rendered pursuant to subsection (d)(2) or (d)(3) of this Section shall be provided to each party by certified mail within the timeline set forth in this subsection (d).~~

~~e) The decision of the Commission is final unless reviewed under the Administrative Review Law [735 ILCS 5/Art. III], as provided in Section 27A-8(h) of the School Code.~~

(Source: Repealed at 44 Ill. Reg. _____, effective _____)

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Section 650.APPENDIX A Principles and Standards for Authorizing Charter Schools

The following principles and standards for charter school authorizers align to Article 27A of the School Code and are based on the "Principles and Standards of Quality Charter School Authorizing" (2012), published by the National Association of Charter School Authorizers (NACSA), 105 West Adams Street, Suite 3500, Chicago IL 60603-6253 and posted at http://www.qualitycharters.org/publications-resources/principles-standards.html. No later amendments to or editions of these standards are incorporated. A small number of standards are identified as "advanced" (recommended); all others are considered "essential" (required).

PRINCIPLES

A high-quality authorizer engages in responsible oversight of charter schools by ensuring that schools have both the autonomy to which they are entitled and the public accountability for which they are responsible. The following three principles lie at the heart of the authorizing endeavor, and authorizers should be guided by and fulfill these principles in all aspects of their work.

Principle 1: Maintain High Standards

Sets high standards for approving charter applicants.

Maintains high standards for the schools it oversees.

Effectively cultivates high-quality charter schools that meet identified educational needs.

Oversees charter schools that meet over time the performance standards and targets on a range of measures and metrics set forth in the charter contracts.

Principle 2: Uphold School Autonomy

Honors and preserves core autonomies crucial to school success, including:

Governing board independent from the authorizer;

Personnel;

School vision and culture;

Instructional programming, design and use of time; and

Budgeting.

Minimizes administrative and compliance burdens on schools.

Focuses on holding schools accountable for outcomes rather than processes, while at all times strictly enforcing all applicable statutory and regulatory requirements for charter schools.

Principle 3: Protect Student and Public Interests

Makes the well-being and interests of students the fundamental value informing all the authorizer's actions and decisions.

Holds schools accountable for fulfilling fundamental public education obligations to all students, which includes providing:

Nonselective, nondiscriminatory access to all eligible students;

Fair treatment in admissions and disciplinary actions for all students; and

Appropriate services for all students, including those with disabilities and who are English learners, in accordance with applicable laws.

Holds schools accountable for fulfilling fundamental obligations to the public, which includes providing:

Sound governance, management and stewardship of public funds;

Public information and operational transparency in accordance with applicable State and federal laws; and

Compliance with all applicable laws and regulations.

Ensures in its own work:

Ethical conduct;

Focus on the mission of chartering high-quality schools;

Clarity, consistency and public transparency in authorizing policies, practices and decisions;

Effective and efficient public stewardship; and

Compliance with all applicable laws and regulations.

STANDARDS

Standard 1: Agency Commitment and Capacity

A high-quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs; clearly prioritizes a commitment to excellence in education and in authorizing practices; and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

1.1 Standards for Planning and Commitment to Excellence

Supports and advances the purposes of Article 27A of the School Code.

Ensures that the authorizer's governing board, leadership and staff understand and are committed to the principles articulated in this Appendix A.

Defines external relationships and lines of authority to protect the authorizing functions from conflicts of interest and political influence.

Implements policies, processes and practices that streamline and organize its work toward State goals, and executes its duties efficiently while minimizing administrative burdens on schools.

Evaluates its work regularly against national standards for high-quality authorizing and recognized effective practices and develops and implements timely plans for improvement if these standards and practices are not achieved.

States a clear mission for high-quality authorizing (advanced).

Articulates and implements an intentional strategic vision and plan for chartering, including clear priorities, goals and timeframes for achievement (advanced).

Evaluates its work regularly against its chartering mission and strategic plan goals, and implements plans for improvement when the mission and strategic plan goals are not achieved (advanced).

Conforms to reporting requirements about its progress and performance in meeting its strategic plan goals, as required by Section 27A-12 of the School Code and Section 650.55 of this Part.

1.2 Standards for Human Resources

Enlists expertise and competent leadership for all areas essential to charter school oversight, including, but not limited to, educational leadership; curriculum, instruction and assessment; special education; English learners and other diverse learning needs; performance management and accountability; law; finance; facilities; and nonprofit governance and management through the use of staff, contractual relationships, ~~and/~~or intra-agency or inter-agency collaborations.

Employs competent personnel at a staffing level that is appropriate and sufficient, commensurate with the size of the charter school portfolio, to carry out all authorizing responsibilities in accordance with the principles and standards set forth in this Appendix A.

Provides for regular professional development for the authorizer's leadership and staff to achieve and maintain high standards of professional authorizing practice and to enable continual improvement.

1.3 Standards for Financial Resources

Determines the financial needs of the authorizing office and devotes sufficient financial resources to fulfill its authorizing responsibilities in accordance with the principles and standards set forth in this Appendix A and commensurate with the scale of the charter school portfolio.

Tracks operating costs and expenses associated with the performance of the powers and duties enumerated in Section 27A-7.10(a) of the School Code and any additional duties set forth in the terms of each charter contract.

When making decisions pertaining to approving or renewing a charter school, considers whether the terms of the charter, as proposed, are economically sound for both the charter school and the school district. (See Section 27A-7(a) of the School Code.)

Provides funding to all charter schools in compliance with the requirements of Article 27A of the School Code and submits to the State Board of Education information about the budget and financial schedule as may be required.

Structures funding in such a way as to avoid conflicts of interest, inducements, incentives or disincentives that might compromise its judgment in charter approval and accountability decision-making.

Deploys funds effectively and efficiently and maintains the public's interests when doing so.

Standard 2: Application Process and Decision-Making

A high-quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate a strong capacity to establish and operate a high-quality charter school.

2.1 Standards for Proposal Information, Questions and Guidance

Maintains a charter application information packet or, if actively soliciting proposals, issues a request for proposals (RFP) that:

States any chartering priorities the authorizer may have established;

Articulates comprehensive application questions to elicit the information needed for a rigorous evaluation of the applicant's plans and capacities; and

Provides clear guidance and requirements for the content and format of the application and the evaluation criteria that will be used when considering the application.

Welcomes proposals from first-time charter applicants, as well as existing school operators or replicators, and appropriately distinguishes between the two types of developers in proposal requirements and evaluation criteria.

To the extent it is determined to be economically sound for the district and the charter school, encourages expansion and replication of charter schools that demonstrate success and capacity for growth.

Is open to considering diverse educational philosophies and approaches, and expresses a commitment to serve students with diverse needs.

To the extent it is determined to be economically sound for the district and the charter school, broadly invites and solicits charter applications, while publicizing the authorizer's strategic vision and chartering priorities without restricting or refusing to review applications that propose to fulfill other goals (advanced).

2.2 Standards for Fair, Transparent, Quality-Focused Procedures

Implements a charter application process that is open, well-publicized and transparent, and is organized around timelines that are clear, realistic and compliant with the timelines for review of charter proposals set forth in Section 27A-8 of the School Code.

Allows sufficient time in the application process so that each stage of the application review and school pre-opening processes are carried out with integrity and attention to high quality.

Explains how each stage of the application process is conducted and evaluated.

Informs applicants of their rights and responsibilities and promptly notifies applicants in writing of approval or denial, while explaining the factors that determined the decision.

In compliance with Sections 27A-8(f) and 27A-9(e) of the School Code and Section 650.30 of this Part ~~(Submission to the State Board of Education)~~, submits all required documentation pertaining to charter school approvals, denials, revocations, or non-renewals to the State Board of Education~~, and all required documentation pertaining to denials, revocations or non-renewals to the State Board of Education and the Commission~~.

2.3 Standards for Rigorous Approval Criteria

Requires all applicants to submit a charter school proposal that is complete and fully addresses all required elements under Section 27A-7(a) of the School Code, including, but not limited to, a clear and compelling mission; a high-quality educational program; a solid business plan; a transportation plan to meet the needs of low-income and at-risk students; effective governance and management structures and systems; founding team members who demonstrate diverse and necessary capabilities; and clear evidence of the applicant's capacity to execute its plan successfully.

Establishes distinct requirements and criteria for applicants that are existing school operators and those that are replicators.

Establishes distinct requirements and criteria for applicants proposing to contract with education service or management providers.

To the extent that these schools are permitted under Article 27A of the School Code, establishes distinct requirements for applicants proposing to operate schools devoted exclusively to students from low-performing or overcrowded schools.

To the extent that these schools are permitted under Article 27A of the School Code, establishes distinct requirements for applicants proposing to operate schools devoted exclusively to re-enrolled high school dropouts and/or students 16 or 15 years old who are at risk of dropping out.

To the extent that these schools are permitted under Article 27A of the School Code, establishes distinct requirements and criteria for applicants proposing to operate virtual or online charter schools.

2.4 Standards for Rigorous Decision-Making

Grants charters only to applicants that have demonstrated competence and capacity to succeed in all aspects of the school, consistent with the stated approval criteria.

Rigorously evaluates each application through the use of knowledgeable and competent evaluators who employ some combination of a thorough review of the written proposal, a substantive in-person interview with the applicant group, the public meeting required under Section 27A-8(c) of the School Code for gathering more information to assist in determining whether to grant or deny the charter school proposal, and other due diligence to examine the applicant's experience and capacity.

Engages, for both written application reviews and any applicant interviews, highly competent teams of internal and external evaluators with relevant educational, organizational (governance and management), financial and legal expertise, as well as thorough understanding of the provisions of Article 27A of the School Code and the essential principles of charter school autonomy and accountability.

Provides orientation or training to application evaluators (including interviewers) to ensure the use of consistent evaluation standards and practices, observance of essential protocols and fair treatment of applicants.

Ensures that the application review process and decision-making are free of conflicts of interest, and requires full disclosure of any potential or perceived conflicts of interest between reviewers or decision-makers and applicants.

Standard 3: Performance Contracting

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A high-quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences and other material terms. The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate and be held accountable.

3.1 Standards for Contract Term, Negotiation and Execution

Executes a contract with a legally incorporated governing board of a nonprofit corporation or other discrete, legal, nonprofit entity authorized under the laws of the State of Illinois that is completely independent of the authorizer.

Executes all charter agreements within 120 days after the charter's approval and at least 30 days before the start of school, whichever date comes first.

Ensures that all charter school agreements have been certified by the State Board of Education in accordance with Section 650.40 prior to the date on which the charter school opens or begins its renewal term.

Defines material terms of the contract.

Ensures mutual understanding and acceptance of the contract by the school's governing board prior to authorization or charter granting by the authorizing board.

Allows, and requires contract amendments for, occasional material changes to the school's plan, but does not require amending the contract for non-material modifications.

3.2 Standards for Rights and Responsibilities

Executes charter school contracts that clearly:

State the rights and responsibilities of the school and the authorizer;

State and respect the autonomies to which charter schools are entitled, based on statute, waiver or authorizer policy, including those relating to the school's authority over educational programming, staffing, budgeting and scheduling;

Define performance standards, criteria and conditions for renewal, intervention, revocation and non-renewal, while establishing the consequences for meeting or not meeting standards or conditions;

State the statutory, regulatory and procedural terms and conditions for the school's operation, including a clearly defined list of all health and safety requirements applicable to all public schools under the laws of the State of Illinois;

State reasonable pre-opening requirements or conditions for new schools to ensure that they meet all health, safety and other legal requirements prior to opening and are prepared to open smoothly;

State the responsibility and commitment of the school to adhere to essential public education obligations, including admitting and serving all eligible students so long as space is available, and not expelling or counseling out students except pursuant to a discipline policy approved by the authorizer; and

State the responsibilities of the school and the authorizer in the event of school closures.

Ensures that any fee-based services that the authorizer provides are set forth in a services agreement that respects charter school autonomy and treats the charter school equitably compared to district schools, if applicable; and ensures that purchasing these services is explicitly not a condition of charter approval, continuation or renewal.

3.3 Standards for Charter Performance Standards

Executes charter contracts that plainly:

Establish the performance standards under which schools will be evaluated, using objective and verifiable measures of student achievement as the primary measure of school quality;

Include expectations for appropriate access, education, support services and outcomes for students with disabilities;

Define clear, measurable and attainable academic, financial and organizational performance standards and targets that the school must meet as a condition of renewal, including but not limited to required State and federal measures;

~~Make increases in student academic achievement for all groups of students described in section 6311(b)(2)(C)(v) of the Elementary and Secondary Education Act (20 USC 6301 et seq.) the most important factor to be considered for charter renewal or revocation decision-making;~~

Define the sources of academic data that will form the evidence base for ongoing and renewal evaluation, including State-mandated and other standardized assessments, student academic growth measures, internal assessments, qualitative reviews and performance comparisons with other comparable public schools in the district and State;

Define the sources of financial data that will form the evidence base for ongoing and renewal evaluation, grounded in professional standards for sound financial operations and sustainability;

Define the sources of organizational data that will form the evidence base for ongoing and renewal evaluation, focusing on fulfillment of legal obligations, fiduciary duties and sound public stewardship; and

Include clear, measurable performance standards to judge the effectiveness of alternative schools, if applicable, requiring and appropriately weighting rigorous mission-specific performance measures and metrics that credibly demonstrate each school's success in fulfilling its mission and serving its special population.

3.4 Standards for Education Service or Management Contracts (if applicable)

For any school that contracts with an external (third-party) provider for education design and operation or management, includes additional contractual provisions that ensure rigorous, independent contract oversight by the charter school governing board and the school's financial independence from the external provider. In determining whether a charter school is independent of the external provider, the authorizer shall consider the criteria listed in Q & A (B-13) of the U.S. Department of Education, Charter Schools Program, Title V, Part B of the ESEA, Nonregulatory Guidance (Published January 2014~~April 2011~~) and posted at http://www2.ed.gov/programs/charter/fy14cspnonregguidance.doc. ~~http://www2.ed.gov/programs/charter/nonregulatory-guidance.doc.~~

Reviews the proposed third-party contract as a condition of charter approval to ensure that it is consistent with applicable laws, authorizer policy and the public interest.

Standard 4: Ongoing Oversight and Evaluation

A high-quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools' legally entitled autonomy; protects student rights; informs intervention, revocation and renewal decisions; and provides regular public reports on school performance.

4.1 Standards for Performance Evaluation and Compliance Monitoring

Implements a comprehensive performance accountability and compliance monitoring system that is defined by the charter contract and provides the information necessary to make rigorous and standards-based renewal, revocation and intervention decisions.

Defines and communicates to schools the process, methods and timing of gathering and reporting school performance and compliance data.

Implements an accountability system that effectively streamlines local, State and federal performance expectations and compliance requirements,

while protecting schools' legally entitled autonomy and minimizing schools' administrative and reporting burdens.

Provides clear technical guidance to schools, as needed, to ensure timely compliance with applicable regulations.

Visits each school as appropriate and necessary for collecting data that cannot be obtained otherwise and in accordance with the contract, while ensuring that the frequency, purposes and methods of these visits respect school autonomy and avoid operational interference.

Evaluates each school annually on its performance and progress toward meeting the standards and targets stated in the charter contract, including essential compliance requirements, and clearly communicates evaluation results to the school's governing body and leadership.

In accordance with Section 27A-5(f) of the School Code, requires and reviews annual financial audits of schools conducted by a qualified independent auditor.

Communicates regularly with schools as needed, including both the school leaders and governing boards, and provides timely notice of contract violations or performance deficiencies.

Provides an annual written report to each school, summarizing its performance and compliance to date and identifying areas of strength and areas needing improvement.

Articulates and enforces stated consequences for failing to meet performance expectations or compliance requirements.

4.2 Standards for Respecting School Autonomy

Respects the school's authority over its day-to-day operations.

Collects information from the school in a manner that minimizes administrative burdens on the school, while ensuring that performance and compliance information is sufficiently detailed and timely to protect student and public interests.

Periodically reviews compliance requirements and evaluates the potential to increase school autonomy based on flexibility in the law, streamlining requirements, demonstrated school performance or other considerations.

Refrains from directing or participating in the educational decisions or choices that are appropriately within a school's purview under Article 27A of the School Code or the contract.

4.3 Standards for Protecting Student Rights

In accordance with Section 27A-4(d) and (h) of the School Code, ensures that schools admit students through a random selection that is open to all students who reside within the geographic boundaries of the areas served by the local school board, is publicly verifiable, and does not establish undue barriers to application (such as mandatory information meetings, mandated volunteer service or parent contracts) that exclude students based on socioeconomic, family or language background; prior academic performance; special education status; or parental involvement.

Ensures that schools provide access and services to students with disabilities, as required by applicable State and federal laws, including compliance with individualized education programs and section 504 plans, access to facilities and educational opportunities.

Ensures clarity in the roles and responsibilities of all parties involved in serving students with disabilities.

Ensures that schools provide access to and appropriately serve other special populations of students, including English learners, homeless students and gifted students, as required by State and federal law.

Ensures that schools' student discipline policies and actions comply with applicable State and federal laws regarding discipline, are fair and ensure that no student is expelled or counseled out of a school outside of the process set forth in those policies.

4.4 Standards for Intervention

Establishes, and makes available to schools as they are chartered, an intervention policy that states the general conditions that may trigger intervention and the types of actions and consequences that may ensue.

Gives schools clear, adequate, evidence-based and timely notice of contract violations or performance deficiencies.

Allows schools reasonable time and opportunity for remediation in non-emergency situations.

When intervention is needed, engages in intervention strategies that clearly preserve school autonomy and responsibility (identifying what the school must remedy without prescribing solutions).

4.5 Standards for Public Reporting

Produces regular public reports that provide clear, accurate performance data for the charter schools overseen by the authorizer, reporting on individual school and overall portfolio performance according to the framework set forth in the charter contract. (Also see Section 650.55.)

Standard 5: Revocation and Renewal Decision-Making

A high-quality authorizer designs and implements a transparent and rigorous process that uses comprehensive academic, financial and operational performance data to make merit-based renewal decisions and revokes charters when necessary to protect student and public interests.

5.1 Standards for Revocation

Adheres to all notice and corrective action requirements for revocation of a charter school, as set forth in Section 27A-9 of the School Code.

5.2 Standards for Renewal Decisions Based on Merit and Inclusive Evidence

Bases the renewal process and renewal decisions on thorough analyses of a comprehensive body of objective evidence defined by the performance framework in the charter contract.

Grants renewal only to schools that have achieved the standards and targets stated in the charter contract, are organizationally and fiscally viable, and have been faithful to the terms of the contract and applicable law.

Does not make renewal decisions, including granting probationary or short-term renewals, on the basis of political or community pressure or solely on promises of future improvement.

5.3 Standards for Cumulative Report and Renewal Application

Provides to each school, in advance of the renewal decision, a cumulative performance report that:

Summarizes the school's performance record over the charter term; and

States the authorizer's summative findings concerning the school's performance and its prospects for renewal.

Requires any school seeking renewal to apply through the use of a renewal application, which should provide the school with a meaningful opportunity and reasonable time to respond to the cumulative performance report, to correct the record, if needed, and to present additional evidence regarding its performance.

5.4 Standards for Fair, Transparent Process

Clearly communicates to schools the criteria for charter revocation, renewal and non-renewal decisions that are consistent with the charter contract and Article 27A of the School Code.

Promptly notifies each school of its renewal (or, if applicable, revocation) decision, including a written explanation of the reasons for the decision.

Promptly communicates renewal or revocation decisions to the school community and public within a timeframe that allows parents and students to exercise choices for the coming school year.

Explains in writing any available rights of legal or administrative appeal through which a school may challenge the authorizer's decision.

In compliance with Sections 27A-8(f) and 27A-9(e) of the School Code and Section 650.30 of this Part, submits all required documentation pertaining to charter school renewals, revocations, or non-renewals to the State Board of Education~~, and all required documentation pertaining to revocations or non-renewals to the State Board of Education and the Commission~~.

Regularly updates and publishes the process for renewal decision-making, including guidance regarding required content and format for renewal applications.

5.5 Standards for Closure

In the event of a school closure, oversees and works with the school's governing board and leadership in carrying out a detailed closure protocol that complies with Section 650.70 and all applicable State laws.

(Source: Amended at 44 Ill. Reg. _____, effective _____)

DEPARTMENT ON AGING

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Community Care Program

2) Code Citation: 89 Ill. Adm. Code 240

3)

Section Numbers:	Adopted Actions:
240.237	Amendment
240.741	Amendment
240.1543	Amendment
240.1544	Amendment

4) Statutory Authority: Implementing and authorized by Sections 4.01(11) and 4.02 of the Illinois Act on Aging [20 ILCS 105/4.01(11) and 4.02].

5) Effective Date of Rules: January 29, 2020

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? Yes

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.

9) Notice of Proposal published in *Illinois Register*: 43 Ill. Reg. 12209; November 1, 2019

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: Changes made to this rulemaking were technical, grammatical, and editorial based on public comments and recommendations of the Joint Committee on Administrative Rules.

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will this rulemaking replace any emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? Yes

Section Numbers:	Proposed Actions:	*Illinois Register* Citations:
240.728	Amendment	43 Ill. Reg. 14475; December 20, 2019

DEPARTMENT ON AGING

NOTICE OF ADOPTED AMENDMENTS

240.729	Amendment	43 Ill. Reg. 14475; December 20, 2019
240.1505	Amendment	44 Ill. Reg. 1724; January 24, 2020
240.1520	Amendment	44 Ill. Reg. 1724; January 24, 2020

15) Summary and Purpose of Rulemaking: This rulemaking clarifies and updates the criteria for participant eligibility and the minimum equipment specifications for automated medication dispenser service under the Community Care Program (CCP).

16) Information and questions regarding these adopted rules shall be directed to:

Jason Jordan
Deputy General Counsel
Illinois Department on Aging
One Natural Resources Way, Suite 100
Springfield IL 62702-1271

217/785-3370

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT ON AGING

NOTICE OF ADOPTED AMENDMENTS

TITLE 89: SOCIAL SERVICES
CHAPTER II: DEPARTMENT ON AGING

PART 240
COMMUNITY CARE PROGRAM

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240.100 Community Care Program
240.110 Department Prerogative
240.120 Services Provided
240.130 Maintenance of Effort
240.140 Program Limitations
240.150 Department Headquarters Location
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240.210 In-home Service
240.230 Adult Day Service (ADS)
240.235 Emergency Home Response Service
240.237 Automated Medication Dispenser Service
240.240 Information and Referral
240.250 Demonstration/Research Projects
240.260 Care Coordination Service
240.270 Alternative Provider
240.280 Individual Provider (Repealed)

SUBPART C: RIGHTS AND RESPONSIBILITIES

Section
240.300 Participant Rights and Responsibilities
240.310 Right to Request Services
240.320 Nondiscrimination
240.330 Freedom of Choice
240.340 Confidentiality/Safeguarding of Case Information
240.350 Participant /Authorized Representative Cooperation

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NOTICE OF ADOPTED AMENDMENTS

240.360 Reporting Changes
240.370 Voluntary Repayment

SUBPART D: APPEALS

Section

240.400 Appeals and Fair Hearings
240.405 Representation
240.410 When the Appeal May Be Filed
240.415 What May Be Appealed
240.420 Group Appeals
240.425 Informal Review
240.430 Informal Review Findings
240.435 Withdrawing an Appeal
240.436 Cancelling an Appeal
240.440 Examining Department Records
240.445 Hearing Officer
240.450 The Hearing
240.451 Conduct of Hearing
240.455 Continuance of the Hearing
240.460 Postponement
240.465 Dismissal Due to Non-Appearance
240.470 Rescheduling the Appeal Hearing
240.475 Recommendations of Hearing Officer
240.480 The Appeal Decision
240.485 Reviewing the Official Report of the Hearing

SUBPART E: REQUEST FOR SERVICES

Section

240.510 Participant Agreement for Community Care Program
240.520 Who May Make Application (Repealed)
240.530 Date of Application (Repealed)
240.540 Statement to be Included on Participant Agreement and Consent Form
240.550 Person-Centered Planning Process

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240.600 Eligibility Requirements
240.610 Establishing Initial Eligibility
240.620 Home Visit
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240.650 Continuous Eligibility
240.655 Redeterminations Process
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240.710 Age
240.715 Determination of Need
240.727 Minimum Score Requirements
240.728 Maximum Payment Levels for Person-Centered Plans of Care Including In-home Service
240.729 Maximum Payment Levels for Person-Centered Plans of Care Including Adult Day Service
240.730 Person-Centered Plan of Care
240.735 Supplemental Information
240.740 Assessment of Need
240.741 Prerequisites for Automated Medication Dispenser Service
240.750 Citizenship
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240.800 Financial Factors
240.810 Assets
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240.850 Monthly Average Income
240.855 Applicant/Client Expense for Care (Repealed)
240.860 Change in Income
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240.870 Determination of Applicant/Client Monthly Expense for Care (Repealed)
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240.905 Prohibition of Institutionalized Individuals From Receiving Community Care Program Services
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240.920 Reasons for Denial
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240.935 Discontinuance of Services to Clients (Repealed)
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240.1010 Choices for Care Nursing Facility, Supportive Living Program, and Community-Based Screening
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240.1110 Participant Transfer Request – Vendor to Vendor – No Change in Service
240.1120 Participant Transfer Request – Vendor to Vendor – With Change in Service
240.1130 Participant Transfers – Care Coordination Unit to Care Coordination Unit
240.1140 Transfers of Pending Requests for Services

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NOTICE OF ADOPTED AMENDMENTS

240.1150 Interagency Transfers
240.1160 Temporary Transfers – Care Coordination Unit to Care Coordination Unit
240.1170 Caseload Transfer – Vendor to Vendor
240.1180 Caseload Transfer – Care Coordination Unit to Care Coordination Unit

SUBPART L: ADMINISTRATIVE SERVICE CONTRACT

Section
240.1210 Administrative Service Contract

SUBPART M: CARE COORDINATION UNITS AND PROVIDERS

Section
240.1310 Standard Contractual Requirements for Care Coordination Units and Providers
240.1320 Vendor or Care Coordination Unit Fraud/Illegal or Criminal Acts
240.1399 Termination of a Vendor or Care Coordination Unit (CCU)

SUBPART N: CARE COORDINATION UNITS

Section
240.1400 Community Care Program Care Coordination
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240.1544 Administrative Requirements for Automated Medication Dispenser Service Providers
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240.1580 Standards for Alternative Providers
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240.1600 Provider Agency Certification
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240.1615 Provider Initiated Service Area Modifications
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240.1665 Contract Actions for Failure to Comply with Community Care Program Requirements

SUBPART Q: CARE COORDINATION UNIT PROCUREMENT

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240.1710 Procurement Cycle for Care Coordination Services
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SUBPART R: ADVISORY COMMITTEE

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SUBPART S: PROVIDER RATES

Section

DEPARTMENT ON AGING

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240.1910 Establishment of Fixed Unit Rates
240.1920 Contract Specific Variations
240.1930 Fixed Unit Rate of Reimbursement for In-home Service
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240.1955 Fixed Unit Rates of Reimbursement for Emergency Home Response Service
240.1957 Fixed Unit Rates of Reimbursement for Automated Medication Dispenser Service
240.1960 Care Coordination Fixed Unit Reimbursement Rates
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240.2020 Financial Reporting of In-home Service
240.2023 Financial Reporting of Rate-Based Wage Increases for Direct Service Workers
240.2030 Unallowable Costs for In-home Service
240.2040 Minimum Direct Service Worker Costs for In-home Service
240.2050 Cost Categories for In-home Service

AUTHORITY: Implementing Section 4.02 and authorized by Section 4.01(11) and 4.02 of the Illinois Act on the Aging [20 ILCS 105].

SOURCE: Emergency rules adopted at 4 Ill. Reg. 1, p. 67, effective December 20, 1979, for a maximum of 150 days; adopted at 4 Ill. Reg. 17, p. 151, effective April 25, 1980; amended at 4 Ill. Reg. 43, p. 86, effective October 15, 1980; emergency amendment at 5 Ill. Reg. 1900, effective February 18, 1981, for a maximum of 150 days; amended at 5 Ill. Reg. 12090, effective October 26, 1981; emergency amendment at 6 Ill. Reg. 8455, effective July 6, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 14953, effective December 1, 1982; amended at 7 Ill. Reg. 8697, effective July 20, 1983; codified at 8 Ill. Reg. 2633; amended at 9 Ill. Reg. 1739, effective January 29, 1985; amended at 9 Ill. Reg. 10208, effective July 1, 1985; emergency amendment at 9 Ill. Reg. 14011, effective August 29, 1985, for a maximum of 150 days; amended at 10 Ill. Reg. 5076, effective March 15, 1986; recodified at 12 Ill. Reg. 7980; amended at 13 Ill. Reg. 11193, effective July 1, 1989; emergency amendment at 13 Ill. Reg. 13638, effective August 18, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 17327, effective November 1, 1989; amended at 14 Ill. Reg. 1233, effective January 12, 1990; amended at 14 Ill. Reg. 10732, effective July 1, 1990; emergency amendment at 15 Ill. Reg. 2838, effective February 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 10351, effective July 1, 1991; emergency amendment at 15 Ill. Reg. 14593, effective October 1, 1991, for a maximum of 150 days; emergency amendment at 15 Ill. Reg. 17398, effective November 15, 1991, for a

maximum of 150 days; emergency amendment suspended at 16 Ill. Reg. 1744; emergency amendment modified in response to a suspension by the Joint Committee on Administrative Rules and reinstated at 16 Ill. Reg. 2943; amended at 15 Ill. Reg. 18568, effective December 13, 1991; emergency amendment at 16 Ill. Reg. 2630, effective February 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 2901, effective February 6, 1992, to expire June 30, 1992; emergency amendment at 16 Ill. Reg. 4069, effective February 28, 1992, to expire June 30, 1992; amended at 16 Ill. Reg. 11403, effective June 30, 1992; emergency amendment at 16 Ill. Reg. 11625, effective July 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 11731, effective June 30, 1992; emergency rule added at 16 Ill. Reg. 12615, effective July 23, 1992, for a maximum of 150 days; modified at 16 Ill. Reg. 16680; amended at 16 Ill. Reg. 14565, effective September 8, 1992; amended at 16 Ill. Reg. 18767, effective November 27, 1992; amended at 17 Ill. Reg. 224, effective December 29, 1992; amended at 17 Ill. Reg. 6090, effective April 7, 1993; amended at 18 Ill. Reg. 609, effective February 1, 1994; emergency amendment at 18 Ill. Reg. 5348, effective March 22, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 13375, effective August 19, 1994; amended at 19 Ill. Reg. 9085, effective July 1, 1995; emergency amendment at 19 Ill. Reg. 10186, effective July 1, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 12693, effective August 25, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 16031, effective November 20, 1995; amended at 19 Ill. Reg. 16523, effective December 1, 1995; amended at 20 Ill. Reg. 1493, effective January 10, 1996; emergency amendment at 20 Ill. Reg. 5388, effective March 22, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 8995, effective July 1, 1996; amended at 20 Ill. Reg. 10597, effective August 1, 1996; amended at 21 Ill. Reg. 887, effective January 10, 1997; amended at 21 Ill. Reg. 6183, effective May 15, 1997; amended at 21 Ill. Reg. 12418, effective September 1, 1997; amended at 22 Ill. Reg. 3415, effective February 1, 1998; amended at 23 Ill. Reg. 2496, effective February 1, 1999; amended at 23 Ill. Reg. 5642, effective May 1, 1999; amended at 26 Ill. Reg. 9668, effective July 1, 2002; emergency amendment at 26 Ill. Reg. 10829, effective July 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 17358, effective November 25, 2002; emergency amendment at 28 Ill. Reg. 923, effective December 26, 2003, for a maximum of 150 days; amended at 28 Ill. Reg. 7611, effective May 21, 2004; emergency amendment at 30 Ill. Reg. 10117, effective June 1, 2006, for a maximum of 150 days; emergency amendment at 30 Ill. Reg. 11767, effective July 1, 2006, for a maximum of 150 days; amended at 30 Ill. Reg. 16281, effective September 29, 2006; amended at 30 Ill. Reg. 17756, effective October 26, 2006; amended at 32 Ill. Reg. 7588, effective May 5, 2008; emergency amendment at 32 Ill. Reg. 10940, effective July 1, 2008, for a maximum of 150 days; emergency expired November 27, 2008; amended at 32 Ill. Reg. 17929, effective November 10, 2008; amended at 32 Ill. Reg. 19912, effective December 12, 2008; amended at 33 Ill. Reg. 4830, effective March 23, 2009; amended at 34 Ill. Reg. 3448, effective March 8, 2010; emergency amendment at 34 Ill. Reg. 10854, effective July 15, 2010, for a maximum of 150 days; emergency expired December 11, 2010; emergency amendment at 34 Ill. Reg. 12224, effective August 4, 2010, for a maximum of

150 days; emergency expired December 31, 2010; amended at 35 Ill. Reg. 8919, effective June 2, 2011; emergency amendment at 35 Ill. Reg. 13936, effective July 28, 2011, for a maximum of 150 days; amended at 35 Ill. Reg. 20130, effective December 6, 2011; emergency amendment at 37 Ill. Reg. 11381, effective July 1, 2013, for a maximum of 150 days; emergency expired November 27, 2013; amended at 38 Ill. Reg. 5800, effective February 21, 2014; amended at 38 Ill. Reg. 14230, effective June 25, 2014; amended at 41 Ill. Reg. 15233, effective January 1, 2018; recodified at 42 Ill. Reg. 817; amended at 42 Ill. Reg. 20653, effective January 1, 2019; amended at 44 Ill. Reg. 2780, effective January 29, 2020.

SUBPART B: SERVICE DEFINITIONS

Section 240.237 Automated Medication Dispenser Service

a) Service Description

1) AMD service is defined as a portable, mechanical system for individual use that can be programmed to dispense or alert the participant to take non-liquid oral medications through auditory, visual or voice reminders; to provide notification of a missed medication dose; and to provide 24-hour technical assistance for the AMD service in the participant's residence. The service may include medication specific directions or reminders to take other types of medications such as liquid medications or injections based on individual need. The AMD unit is connected to a Department approved support center through a telephone line or wireless/cellular connection in the participant's residence.

2) The purpose of the service is to provide eligible participants with medication reminders to foster timely and safe administration of a ~~complex~~ medication schedule, thereby promoting independence and safety of all participants in their own residence, as well as reducing the need for nursing home care.

3) The authorization to receive this service is determined by the care coordinator through a screening process set forth in Section 240.741, which requires the participant/authorized representative to designate an assisting~~a responsible~~ party to manage the AMD unit and medications as set forth in Section 240.741.

4) The Department~~This service~~ does not perform~~include~~ medication management, oversight or handling of the participant's medications.

5) Provision of this service is contingent upon it continuing to be an~~being~~ approved service under~~by~~ the HCBS~~federal government as a State Medicaid~~ Waiver for Persons Who are Elderly~~service~~.

b) Specific components of AMD service must include, at a minimum, the following:

1) an AMD unit installed in the participant's residence with all connectors, parts and equipment necessary for installation, and adaptations for operation by individuals~~participants/responsible parties~~ who have functional, hearing or visual impairments, or who exhibit language barriers.

2) delivery of the AMD unit to the participant and installation of the unit~~ into a functioning telephone or wireless/cellular system in the participant's residence~~ within 48 hours after the referral when the participant is at imminent risk of institutionalization and within 15 calendar days from the date of the referral in all other instances.

A) This timeline can be extended if requested by the participant/authorized representative/assisting ~~representative/responsible~~ party.

B) This service shall not be subcontracted and shall be provided by trained employees who will identify themselves by picture identification that can be verified by the participant/authorized representative/assisting party~~representative~~.

C) Delivery and installation of the AMD unit may include coordination of emergency home response service (see Section 240.235) for a participant~~participant/authorized representative~~.

D) Provider shall make every effort to schedule and conduct the installation when the participant, authorized representative (if applicable), and assisting party are present. Documentation of such efforts shall be provided to the Department upon request.

3) training for the participant/authorized representative and assisting~~responsible~~ party on the proper use of the AMD system at the time of installation and subsequently when needed. The training will include:

A) demonstration of the use, including any adaptations for operation, general care, and maintenance of the unit/equipment;

B) explanation of the AMD provider's services and notification processes;

C) instruction on any testing or monitoring used to assure the proper functioning of the AMD unit/equipment, including how to report any malfunctions; and

D) providing the participant/authorized representative/assisting ~~representative/responsible~~ party with easy to understand written instructions in the use, general care and maintenance of the AMD unit/equipment. These instructions will be available in options such as non-English languages, large print, Braille, and audible recordings to meet the participant's~~individual's~~ needs.

4) ensuring the participant/authorized representative reviews their assisting~~his or her responsible~~ party designation at least every 6 months. Any changes in this designation must be sent to the CCU within 5 calendar days after the date of execution of the assisting~~responsible~~ party change. If there is a change in designation, the AMD provider must complete new training as required under subsection (b)(3) within 7 calendar days after the date of execution of the assisting~~responsible~~ party change.

5) both:

A) obtaining the signature of the participant/authorized representative to verify that:~~and responsible party~~

i) ~~to verify that~~ the AMD unit/equipment was delivered and installed; and

ii) ~~that~~ instructions and demonstration were given and understood by the participant/authorized representative; and ~~responsible party, including acknowledgement of their responsibilities in managing medications, medication administration and oversight of medications and of the limited role of the Department in approving of and paying for the AMD service~~.

B) providing to the CCU and the participant/authorized representative a~~A~~ copy of the verification, to be~~this receipt and acknowledgment must be sent to and~~ kept on file at the CCU.

~~6) ownership and operation of a support center to provide live monitoring on a continuous basis, notify the participant/authorized representative/responsible party of missed medication doses and provide necessary technical support for fault conditions, including a language line that provides interpreter service for at least 140 languages and communication facilitated by a teletypewriter (TTY) communication device for the deaf, as appropriate.~~

~~7) ownership and operation of a back-up support center that provides all components specified in subsection (b)(6) and that operates on a separate power grid.~~

6~~8~~) maintaining adequate local staffing levels of qualified personnel to conduct and provide necessary administrative activities, installation, in-home training, unit/equipment monitoring, technical support, AMD unit programming,~~medication program changes~~ and repair requests in a timely manner. An AMD provider must have a written training program for personnel and be able to demonstrate that its staff members are qualified and have passed background checks.

7~~9~~) repairing or replacing the AMD unit/equipment within 24 hours after receiving a malfunction report. This timeline will be extended if requested by the participant/authorized representative/assisting ~~representative/responsible~~ party.

8~~10~~) alerts to the participant/authorized representative and assisting~~responsible~~ party when electric power to the AMD unit has been interrupted (e.g., unplugged) and the unit is operating on a standby power source.

9~~11~~) notification to the CCU within 1 business day after installation~~activation~~ of the AMD unit and working with the appropriate care coordinator to resolve service complaints from the participant/authorized representative/assisting~~representative/responsible~~ party.

10~~12~~) notification to the CCU within 2 calendar days if the AMD service cannot be initiated or must be terminated.

11~~13~~) maintaining records in accordance with Section 240.1544 relating to participant referral and service statistics, including unit/equipment delivery; unit installation~~activation~~ and programming; participant/authorized representative and assisting~~responsible~~ party training; missed medication notifications and dispositions; other AMD unit/equipment monitoring and test transmission activity; unit/equipment malfunction, repair and replacement; power interruption alerts; notifications to the CCUs; billing and payment information; and personnel qualifications, training and background checks.

12~~14~~) making available participant reports on missed medication doses, power and battery status, and other reporting features on an ongoing basis to the participant/authorized representative, assisting~~responsible~~ party and care coordinators via a~~ HIPAA-compliant (e.g.,~~ privacy-protected and secure~~)~~ website or other modality.

13~~15~~) providing access to individual and aggregate reports and AMD system performance measures on an ongoing basis to authorized persons through a~~ HIPAA-compliant (e.g.,~~ privacy-protected and secure~~)~~ website or other modality.

14~~16~~) providing ad hoc reports to the Department upon request.

c) Units of Service

1) One unit of installation service is the one-time fee to the AMD provider for the activity associated with the installation of the AMD unit/equipment

in the participant's residence and training of the participant/authorized representative and assisting~~responsible~~ party.

2) One unit of monthly service is the fixed unit rate of reimbursement, per month, for the provider agency activity associated with providing the AMD service to each participant.

(Source: Amended at 44 Ill. Reg. 2780, effective January 29, 2020)

SUBPART G: NON-FINANCIAL REQUIREMENTS

Section 240.741 Prerequisites for Automated Medication Dispenser Service

a) Authorization for the AMD~~ dispenser~~ service is determined based on a participant's need for the service, including the participant's medication, medical, cognitive and physical needs that indicate the potential to benefit from the AMD service.

b) To be authorized for the service, the participant must:

1) meet all of the following criteria:

A) eligibility for CCP services;

B) take 1~~5~~ or more~~ long term prescription~~ medications that necessitate~~are: i) administered 2 or more different times per day; and ii) complex or necessitate that~~ the medications~~medication~~ be taken at a set schedule to avoid complications;

C~~B~~) have the potential to benefit from the service, understand the need to take medications, respond to alerts to take medication and is physically able to take medication independently from the AMD unit;

D~~C~~) designate an assisting~~a responsible~~ party to assist with~~manage~~ the AMD unit and medications~~ as required under Section 240.741(d)~~; and

E~~D~~) commit to using the AMD unit appropriately; and

2) ~~either:A)~~exhibit at least 1 of the following issues or diagnoses:

A~~i~~) a history of non-adherence to treatment, medication or therapy regimens;

B~~ii~~) resides alone or lacks assistance from others to assist with regular medication administration;

C~~iii~~) impaired motor function that causes difficulty in handling medication receptacles and small pills;

D~~iv~~) attempts at using less costly alternatives (e.g., pill reminders, medication organizers with alarms and telephone reminders/prompts) have failed; ~~or~~

E~~v~~) recent transition from a more restrictive care setting, such as a hospital or nursing facility; ~~or~~

~~B)~~ ~~have 2 or more of the following diagnoses requiring medication therapy:~~

F~~i~~) has a diagnosis of cognitive impairment;

G~~ii~~) has a diagnosis of diabetes;

H~~iii~~) has a diagnosis of congestive heart failure;

I~~iv~~) has a diagnosis of hypertension;

J~~v~~) has a diagnosis of depression/mental illness; or

K~~vi~~) has a diagnosis of cancer.

c) Other criteria may be developed by the Department to assist in determining what is the most appropriate AMD system to meet the participant's needs.

d) The participant/authorized representative and/or the assisting~~responsible~~ party shall~~must~~ complete documentation acknowledging~~prescribed by the Department~~

~~verifying~~ that~~:1)~~ the AMD~~ unit~~ was installed.~~;~~ Whenever possible, the assisting party should be present during the AMD installation.

e) The assisting party must complete documentation requested by the Department agreeing that he/she/they will be~~2)he/she is~~ responsible for:

1~~A~~) administration and oversight of the participant's~~the management of~~ medications~~; of the participant, including all prescribed medications, assuring the medications are administered according to physician orders; and~~

2~~B~~) manually filling or arranging for another person, who could be the participant, to fill the AMD unit in accordance with prescribing instructions;~~to be filled,~~

3) working with the AMD provider to program the dispenser for the initial medication schedule and subsequent changes;

4~~3~~) using best efforts to ensure no illegal substances are placed in the AMD unit~~the medications in the AMD unit are prescribed by a medical provider who has prescriptive authority under Illinois law~~;

5~~4~~) serving~~he/she is willing to serve~~ as a point of contact for the AMD provider and taking reasonable and necessary actions based~~is committed to acting~~ on any notifications of missed medication doses and other system issues;

6~~5~~) receiving and understanding~~he/she received and understood~~ the instructions and demonstration given by the AMD provider for the AMD equipment;~~ and~~

7~~6~~) understanding~~he/she understands~~ how to access reports about the unit and medication regimen and contacting~~contact~~ the AMD provider when medication schedules are changed; and~~.~~

8) providing reasonable advance notice to the AMD provider, CCU, and~~ e)A~~ participant/authorized representative if unable to continue acting as~~and/or any family member/friend/acquaintance of~~ the assisting party.

f) A participant/authorized representative will be responsible for damages to or loss of the AMD equipment unless a law enforcement report of theft has been filed.

1) The provider will document the damages/loss of equipment.

2) One documented occurrence of damages/loss of equipment may~~will~~ be cause for suspension of the participant's AMD services pending termination, in accordance with the Participant Agreement. The provider will verbally advise the CCU on the same day, if possible, but not later than the next work day after the date of the occurrence. A written report, including, at a minimum, the names of the participant and the worker and the date of the occurrence, will be submitted by the provider to the CCU within 2 work days after the date of the occurrence. The written report may be submitted in person or through mail, facsimile or electronic means.

3) Upon receipt of~~ verbal notification of~~ the written report documenting the~~documented~~ occurrence of damages/loss of equipment~~ within a State fiscal year~~, the CCU may~~will~~ suspend the participant's AMD services~~ as required~~ in accordance with Section 240.930. The date of suspension may~~will~~ be the date of the occurrence of damages to or loss of equipment.

g~~f~~) Whenever an assisting~~a responsible~~ party can no longer meet the~~these~~ obligations set out in subsection (e), it is the responsibility of the participant/authorized representative to identify~~make~~ a new assisting party~~designation~~ and cooperate with arrangements~~arrange~~ for that~~another~~ individual to be trained by the AMD provider. Notification of the change shall be communicated to the AMD provider and the CCU before the change is made.

h~~g~~) An assisting~~A responsible~~ party cannot be an individual or entity providing other services under CCP, such as an in-home service provider.

i) Failure to have a current assisting party designation may result in the participant's termination from the AMD service, in accordance with Section 240.930.

(Source: Amended at 44 Ill. Reg. 2780, effective January 29, 2020)

SUBPART O: PROVIDERS

Section 240.1543 Minimum Equipment Specifications for Automated Medication Dispenser Service

a) An AMD unit/equipment must be capable of portability to be temporarily transferred to another non-institutional residence in Illinois without additional ~~activation~~ fees.

b) AMD Unit Specifications

1) The AMD unit must be a portable mechanical system configured with:

A) all the cords and interfaces needed for installation;

~~B) an internal battery capable of operating as a power source for a minimum of 3 years;~~

B~~C~~) an internal~~a~~ battery:

i) capable of operating as a power source for a minimum of 3 years;

ii) ~~back-up~~ that ~~charges~~ automatically charges whenever the base~~when~~ unit is powered; and

iii) maintains a charge for at least 12 hours when the electric power to the base~~AMD~~ unit is interrupted;

C~~D~~) the ability to verify whether the batteries on the base unit are charged and when the~~a low~~ battery charge is low~~signal~~;

D~~E~~) components certified as appropriate by the Federal Communications Commission (FCC) under 47 CFR 15 and 68; ~~and~~

E~~F~~) appropriate Underwriters Laboratories (UL) safety standards (UL 60950 and 60950-1) certification for battery powered technology equipment;~~.~~

F~~G~~) an integrated unit that connects to either a telephone line or wireless/cellular system that does not interfere with the normal use of the telephone or other devices using the telephone line, such as Emergency Home Response Service;

G~~H~~) an Underwriters Laboratory (UL) approved plug as the connector to a standard residential electrical outlet for its power supply; and

H~~I~~) transmission capability to signal the support center or notify the participant/authorized representative/assisting party if the base unit battery fails or has a low charge, or if electric power to the base unit is interrupted.

2) The AMD unit must have the following operating features:

A) ability to be loaded, programmed and changed to add and remove medications~~prescriptions~~, including:

i) local or remote programming accessibility~~ to the AMD unit in order to program it in accordance with physician orders for medication administration~~;

ii) ~~the unit must allow~~ medication~~ to be~~ dispensed at least 4 times a day; and

iii) alerting~~to alert~~ the participant at the times programmed for dispensing medication;

B) ability to be filled with medications~~ by the responsible party~~, including:

i) holding at least 7 days' supply of~~ prescription~~ medications;

ii) holding multiple medications in individual compartments;

iii) access to medication for an early dose option; and

iv) locking after the medication is loaded;

C) ability to alert the participant when it is time to take medications at least every 5 to 10 minutes for at least 60 minutes until the dose is taken or the dose is locked, including:

i) using verbal, auditory or visual prompts such as flashing lights and audible tones or verbal instructions, which may also provide messages to take medication that cannot be stored in the machine (e.g., take medications with food; time to take insulin) based on the individual's needs; and

ii) dispensing medications at the correct time of day in the correct combinations and in the correct quantities;

D) use~~ of HIPAA-compliant (e.g.,~~ privacy-protected and secure~~)~~ methods of communication with the participant/authorized representative/assisting~~representative/responsible~~ party, including:

i) notification when battery is low or unit is jammed, or if the participant has not taken the medication within 90 minutes after the prescribed time;

ii) contact by the unit or support~~call~~ center to the participant /authorized representative/assisting ~~representative/responsible~~ party to assure adherence or needed intervention; and

E) ability to securely transmit information and provide data to the participant/authorized representative/responsible party, the Department or its designees.

3) The AMD unit must be capable of conducting automatic battery testing and transmitting the results through the AMD unit to the support center on an ongoing basis.

4) If an AMD unit is a Class I medical device, the AMD unit is subject to the General Controls mandated by the Federal Food and Drug Administration, including provisions that relate to adulteration (21 USC 351); misbranding (21 USC 352); device registration and listing (21 USC 360); notification, including repair, replacement, or refund (21 USC 360h); records and

reports (21 USC 360i); and restricted devices (21 USC 520(e)). In addition, the manufacturer of the device must fulfill requirements under 21 CFR 820.180 (Record keeping) and 820.198 (Complaint files). If an AMD unit has enhanced features, such as remote capability, it may be classified as a Class II medical device and must then meet applicable Special Controls under the FDA.

5) The AMD unit must have adaptations for operation by participants who have functional, hearing or visual impairments, and language barriers at no extra cost to the participants.

~~e) AMD Unit Specifications~~

~~1) The AMD unit must have:~~

~~A) an integrated unit that connects to either a rotary dial or touchtone telephone via a modular jack or wireless/cellular system that does not interfere with the normal use of the telephone or other devices using the telephone line, such as Emergency Home Response Service;~~

~~B) an Underwriters Laboratory (UL) approved plug as the connector to a standard residential electrical outlet for its power supply;~~

~~C) the ability to verify whether the batteries on the base unit are charged;~~

~~D) a battery that automatically charges whenever the base unit is powered and that maintains a charge for at least 12 hours when the electric power to the base unit is interrupted; and~~

~~E) transmission capability to signal the support center or notify the participant/authorized representative/responsible party if the base unit battery fails or has a low charge, or electric power to the base unit is interrupted.~~

~~2) The AMD unit must give both audible and visual technology and lighting cues to provide medication alerts.~~

~~3)~~ ~~The AMD unit must provide repeated alerts or messages until the medication is taken, or until the time limit on reminders is met, at which time the dose is unable to be accessed by the participant and the responsible party is notified of the missed medication dose.~~

c~~d~~) Support Center Specifications

1) The AMD support center must have back-up monitoring capacity to take over all medication dispenser notification functions, monitoring and technical support functions.

2) The AMD back-up monitoring center must be at a location different from the primary center, on a different power grid system, and on a different telephone trunk line. It must have a back-up battery and electrical generating capacity, as well as telephone line and wireless/cellular system monitoring abilities. If the back-up center is in the same city as the support center, the AMD provider must provide assurances that back-up can be maintained in the event of a natural disaster.

3) All AMD support center and back-up center equipment, at a minimum, must:

A) monitor the AMD system for the receipt of incoming signals from an installed and programmed AMD unit in a participant's residence, including missed medication doses, power interruptions and outages, and test transmissions and fault conditions, on a continuous basis;

B) direct an appropriate response to the receipt of a signal immediately via texts/emails to the assisting~~responsible~~ party and other designees and call the assisting~~responsible~~ party and other designees within 90 minutes after missed medications and within 8 hours after power interruptions and outages;

C) provide technical support as required, 24 hours a day, 365 days a year;

D) identify each participant and simultaneously record all communication between the participant/authorized

representative/assisting~~representative/responsible~~ party and the support center, as applicable, for all signals, including missed medication doses, test transmissions and fault conditions;

E) display, print and archive the individual identifier, date, time, communication and response for each signal, test and fault condition, which must be maintained for at least a 3-year period of time for quality control and liability purposes;

F) have an uninterruptible power supply (UPS) back-up that will automatically take over system operation in the event electric power to the support center is interrupted, other type of malfunction occurs, or repairs are needed. The back-up power supply must be sufficient to operate the entire system for a minimum of 7 calendar days;

G) have separate and independent primary and back-up systems, computer servers, databases, and other components to provide an uninterruptible monitoring system in the event of equipment malfunction;

H) perform self-diagnostic testing for malfunctions in the unit/equipment in a participant's residence and at the support center, and for fault conditions in the primary and back-up operating systems and power supply at the support center, that could interfere with receiving and responding to signals, such as non-operational AMD units, messages sent from the AMD unit to the participant/authorized representative/assisting ~~representative/responsible~~ party or designees without confirmation of receipt, telephone line outages, power loss, etc.;

I) capability to centrally generate medication compliance data and reports as requested by the Department;

J) have quality management systems that include tracking and trending of data, response times and dispositions; and

K) maintain appropriate certification by the FCC under 47 CFR 15 and 68, if applicable.

(Source: Amended at 44 Ill. Reg. 2780, effective January 29, 2020)

Section 240.1544 Administrative Requirements for Automated Medication Dispenser Service Providers

a) In order to qualify for certification, an Automated Medication Dispenser (AMD) provider must, to the satisfaction of the Department, meet and comply with all applicable rules, including but not limited to:

1) meet the administrative requirements and minimum administrative standards under Sections 240.1505 and 240.1510;

2) meet the applicable responsibilities imposed on provider agencies under the Community Care Program (CCP) set forth in Section 240.1520;

3) meet the certification requirements under Sections 240.1600 or 240.1605;

4) provide assurance that its equipment and support center are in continual compliance with the business and technology requirements imposed on provider agencies under Section 240.1543;

5) provide assurance that its business operations comply with the service, staffing and training requirements under Section 240.237;

6) attend and complete management training provided by the Department or its designee:

A) Training shall be attended and completed by management staff (e.g., managers, supervisors, billing agents) of the AMD provider prior to the award of a CCP AMD contract from the Department;

B) At a minimum, the individual responsible for administration of the CCP AMD program at the provider agency shall attend and complete this training;

C) The Department is authorized to charge a reasonable fee for this training to cover related administrative costs;

~~7)~~ ~~submit audited financial reports as requested from the last complete business fiscal year to prove it is fiscally sound as that term is defined in Section 240.160;~~

7~~8~~) accept all correspondence from the Department and maintain adequate records for administration, audit, budgeting, evaluation, operation and planning efforts by the Department in offering the AMD service through the CCP, which shall include, but are not limited to:

A) records of all referrals, including the disposition of each referral;

B) participant records, which shall include, but are not limited to:

i) applicable forms required by the Department;

ii) dates and times of all AMD notifications and communications with the participant/authorized representative/assisting~~representative/responsible~~ party or designees~~party~~;

iii) disposition of all participant/authorized representative/assisting~~representative/responsible~~ party or designees communications;

iv) dates and times of all equipment tests and system interruptions; and

C) administrative records, including but not limited to:

i) service statistics;

ii) complaint resolution;

iii) billing and payment information plus the underlying documentation to support the units of service submitted to the Department for reimbursement; and

8~~9~~) comply with all applicable federal, State and local laws, regulations, rules, service standards and policies or procedures pertaining to the AMD

provider in its business operations and to the services provided under the CCP.

b) If an AMD provider is not able to meet these administrative requirements, the Department shall deny its request for a certification of qualifications under Section 240.1600.

(Source: Amended at 44 Ill. Reg. 2780, effective January 29, 2020)

DEPARTMENT OF HUMAN SERVICES

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Centers for Independent Living

2) Code Citation: 89 Ill. Adm. Code 886

3)

Section Numbers:	Adopted Actions:
886.10	Amendment
886.20	Amendment
886.30	Amendment
886.40	Repealed
886.50	Amendment
886.60	Repealed
886.70	Amendment
886.80	Repealed
886.90	Repealed
886.100	Repealed
886.110	Repealed

4) Statutory Authority: Implementing and authorized by Section 12a of the Disabled Persons Rehabilitation Act [20 ILCS 2405/12a] and 29 USC 711 and 796.

5) Effective Date of Rules: January 31, 2020

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated, is on file in the Agency's principal office and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 43 Ill. Reg. 2196; February 15, 2019

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: Changes were made and terms were added to 886.20 to address concerns raised in the public comment letter. Changes were also made to 886.70(c), (d) and (g) to further address isues raised in the public comment letter.

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12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: This rulemaking makes 89 Ill. Adm. Code 886 consistent with recent updates to relevant state and federal guidelines. The amendments to this rule impact the provision, funding and monitoring of services for Grantee Centers for Independent Living and the Department. This rulemaking updates the definitions for terms used throughout the rule. 886.30 and 886.40 are combined to more succinctly outline the requirements of Grantees who are federally and State funded to provide independent living services. 886.50 and 886.60 are combined and updated so that the process for non-State and non-federal agencies to make application to be approved as, and to receive State and federal funding to provide services as, a Center for Independent Living is consistent with federal and State guidelines. 886.70 – 886.110 have been consolidated into one Section to streamline the process for compliance reviews.

16) Information and questions regarding these adopted rules shall be directed to:

Tracie Drew, Chief
Bureau of Administrative Rules and Procedures
Department of Human Services
100 South Grand Avenue East
Harris Building, 3rd Floor
Springfield IL 62762

217/785-9772

The full text of the adopted amendments begins on the next page:

DEPARTMENT OF HUMAN SERVICES

NOTICE OF ADOPTED AMENDMENTS

TITLE 89: SOCIAL SERVICES
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES
SUBCHAPTER h: MISCELLANEOUS PROGRAMS

PART 886
CENTERS FOR INDEPENDENT LIVING

Section
886.10 General Provisions
886.20 Definitions
886.30 Program Description~~Purpose~~
886.40 Funding from DHS for Independent Living Services (Repealed)
886.50 Applications for First-time Funding from the Designated State Entity~~DHS~~ for Centers for Independent Living
886.60 Review and Approval of Initial Applications for Funding from DHS (Repealed)
886.70 Compliance Reviews and Recertification of CILs for Continued Funding
886.80 Impact of the Compliance Review (Repealed)
886.90 Reporting the Outcome of a Compliance Review (Repealed)
886.100 Funding Based on Compliance Review Outcomes (Repealed)
886.110 Grievance of Compliance Review Ratings (Repealed)

AUTHORITY: Implementing and authorized by Section 12a of the Disabled Persons Rehabilitation Act [20 ILCS 2405/12a], and 29 U.S.C. 711 and 796.

SOURCE: Adopted at 20 Ill. Reg. 12262, effective August 27, 1996; recodified from the Department of Rehabilitation Services to the Department of Human Services at 21 Ill. Reg. 9325; amended at 22 Ill. Reg. 3869, effective February 6, 1998; amended at 44 Ill. Reg. 2808, effective January 31, 2020.

Section 886.10 General Provisions

The provisions of this Part apply to the DHS Division of Rehabilitation Services (DHS-DRS) application, evaluation, and funding processes for Illinois Centers for Independent Living under:

a) Title VII, Chapter 1, Parts A through C~~Part B~~ of the Rehabilitation Act of 1973, as amended (29 USC~~U.S.C.~~ 701 through~~–~~ 796i), 34 CFR 104.364 through 104.366 and 45 CFR 1329;~~.~~

b) The Americans With Disabilities Act of 1990 (42 USC 12101);

c) Rehabilitation of Persons with Disabilities Act [20 ILCS 2405];

d) Illinois Accessibility Code [71 Ill. Adm. Code 400];

e) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) (2 CFR 200);

f) Illinois Human Rights Act [775 ILCS 5]; and

g) Grant Accountability and Transparency Act [30 ILCS 708].

(Source: Amended at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.20 Definitions

For the purposes of this Part, the following terms shall have the following meanings:

Act – the Rehabilitation Act of 1973 (29 USC 701 through 796i) is federal legislation that establishes rules and funding requirements for the development and operation of Independent Living Services programs by Centers for Independent Living.

Administration on Community Living or ACL – a unit of the U.S. Department of Health and Human Services.

~~a) Advocacy – pleading an individual's cause or speaking or writing in support of an individual which may include representation before public and/or private entities on the behalf of one's self, another individual, or a group of individuals.~~

~~b)~~ Center for Independent Living or ~~(~~CIL or Center~~)~~ – a consumer-controlled, community based, cross-disability, nonresidential, private not-for-profit agency for individuals with significant disabilities (regardless of age or income) that:

~~1)~~ is designed and operated within a local community by a majority of individuals with disabilities; and

~~2)~~ provides an array of Independent Living Services~~independent living services~~, as defined in section 705(18) of the Act, including, at a

minimum, Independent Living Core Services; and.

complies with the standards set out in section 725(b) of the Act, with the assurances in section 725(c) of the Act, and with 45 CFR 1329.5.

Compliance Review – an on-site review of a CIL that is conducted by the DSE to assess compliance with the standards and assurances set forth in federal and State law and with contract terms and conditions.

Consumer – a person with a disability who has requested (or his or her family member has requested on that person's behalf), been referred for, is receiving, or has received any services provided by a CIL.

c) Consumer Control – means, with respect to a Center, that the Center vests power and authority in individuals with disabilities, including individuals who are or have been recipients of IL services, in terms of the management, staffing, decision making, operation, and provision of services. Consumer control, with respect to an individual, means that the individual with a disability asserts control over his or her personal life choices and, in addition, has control over his or her independent living plan (ILP), making informed choices about content, goals, and implementation.pursuant to the Rehabilitation Act of 1973, as amended (20 U.S.C. 701-796i) and the Disabled Persons Rehabilitation Act [20 ILCS 2405/12a], the CIL must be governed by a board of directors that is composed of a majority of individuals who are individuals with disabilities and employ, in management and decision making positions, a majority of individuals who are individuals with disabilities. Pursuant to 34 CFR 364.4, this means the CIL vests power and authority in individuals with disabilities, including individuals who are or have been recipients of independent living services.

d) Cross-disability – a situation in whichwith respect to CILs and independent living services, that services are available to a range of individuals with significant disabilities and their eligibility for thosesuch services does not require a specific disability in order to access Independent Living Servicesindependent living services.

Designated State Entity or DSE – the agency designated in the State Plan for Independent Living (SPIL) that acts on behalf of the State to provide the functions described in the Act.

Finding – the outcome of a compliance review reflecting that the CIL being reviewed did not demonstrate minimum compliance with applicable standards and assurances set forth in federal and State law and with contract terms and conditions.

e) Independent Living Core Services – the minimum services an organization must provide to be considered a CIL. These services are:

1) information and referral services;

2) independent living skills training;

3) peer counseling, including cross-disability peer counseling; and

4) individual advocacy and system advocacy; and.

transitional services that:

facilitate the transition of individuals with significant disabilities from nursing homes and other institutions to home and community-based residences, with the requisite supports and services;

provide assistance to individuals with significant disabilities who are at risk of entering institutions so that the individuals may remain in the community; and

facilitate the transition of youth who are individuals with significant disabilities.

f) Independent Living Plan (ILP) – a written plan which outlines the Independent Living Services which are to be provided to an individual determined eligible to receive Independent Living Services. The ILP must be jointly developed by the individual who will receive Independent Living Services and the CIL. An ILP must be developed for each individual who shall receive Independent Living Services unless the individual specifically signs a statement waiving his/her rights to have an ILP.

g) Independent Living Services – services in addition to the Independent Living

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Core Services provided by a CIL, as required by the Act~~which DHS will take into consideration when approving funding or continued funding for a CIL~~. ~~These services are:~~

~~1) counseling services, including psychological, psychotherapeutic, and related services;~~

~~2) services relating to the securing of housing or shelter including accommodations and modifications to any space used to serve or which is to be occupied by individuals with disabilities;~~

~~3) rehabilitation technology services;~~

~~4) mobility training;~~

~~5) services and training for individuals with cognitive and sensory disabilities, including life skills training and reader and interpreter services;~~

~~6) personal assistance (PA) services including attendant care and training from those individuals who will be providing PA services;~~

~~7) surveys, directories, and other activities to identify appropriate housing, recreation opportunities, accessible transportation, and other support services;~~

~~8) consumer information programs on rehabilitation and independent living services available, especially to minorities and other individuals with significant disabilities who have been traditionally unserved or underserved;~~

~~9) education and training necessary for living and participating in a community;~~

~~10) supported living;~~

~~11) transportation, including referral and assistance for transportation;~~

~~12) physical rehabilitation;~~

~~13) therapeutic treatment;~~

~~14) provision of needed prostheses and other appliances and devices;~~

~~15) individual and group social and recreational services;~~

~~16) training to develop skills specifically designed for youths with significant disabilities to promote self-awareness and esteem, develop advocacy and self-empowerment skills, and explore career opportunities;~~

~~17) services for children;~~

~~18) services under other federal, State, and local programs designed to provide resources, training, counseling, or other assistance of substantial benefit in enhancing the independence, productivity, and quality of life of individuals with significant disabilities;~~

~~19) appropriate preventive services to decrease the need of individuals with significant disabilities for similar services in the future;~~

~~20) community awareness programs to enhance the understanding and integration into society of individuals with significant disabilities; and~~

~~21) any other services that may be necessary to improve the ability of an individual with a significant disability to function, continue to function, or move toward functioning independently in the family or community or to continue employment and that are not inconsistent with this Part and the provisions of Title VII, Part B of the Rehabilitation Act of 1973, as amended (29 U.S.C. 701-796i).~~

Independent Living Skills Training – instruction provided to people with disabilities to help them either obtain or improve upon a wide range of skills needed to live independently and manage life with a disability.

Individual Advocacy – involves pleading an individual's cause or speaking or writing in support of an individual. Individual advocacy may include representation before public and/or private entities or organizations, government agencies (whether State, local or federal) or in a court of law (whether State or

federal) on the behalf of oneself, another individual, or a group of individuals.

h) Individual with a Disabilitydisability – an individual who:

1) has a physical, mental, cognitive, or sensory impairment that substantially limits one or more of the individual's major life activities;

2) has a record of having such an impairment; or

3) is regarded as having such an impairment.

i) Individual with a Significant Disabilitysignificant disability – an individual with a severe physical, mental, cognitive, or sensory impairment whose ability to function independently in the family or community or whose ability to obtain, maintain, or advance in employment is substantially limited and for whom the delivery of Independent Living Servicesindependent living services will improve the ability to function, continue to function, or move toward functioning independently in the family or community or to continue employment.

Information and Referral Services – providing people with disabilities, their families, and the community with assistance in locating and accessing available services and products that will assist individuals in living more independently.

Observation – a practice within a CIL observed during an on-site compliance review that does not rise to the level of a finding but would improve the provision of the independent living program if changes were made to that practice.

j) Part B Funding – the funding provided to states through the U.S.United States Department of Health and HumanEducation - Rehabilitation Services-Administration for Community Living(RSA), under the provisions of Title VII,– Part B of the Rehabilitation Act of 1973, as amended (29 U.S.C. 701-796i) to support and enhance Independent Living Servicesindependent living services within a state.

k) Part C Funding – the funding provided directly to qualifying CILs through the U.S.United States Department of Health and HumanEducation - Rehabilitation Services-Administration for Community Living(RSA), under the provisions of Title VII,– Part C of the Rehabilitation Act of 1973, as amended (29 U.S.C. 701-796i) to establish new CILs and new branch offices, and to support, expand and

enhance Independent Living Services~~independent living services~~ to existing CILs within a state.

Peer Counseling – the method through which peers associated with a CIL can provide other individuals with disabilities seeking this service information and support through role modeling; sharing of experiences, feelings, and awareness of disability issues; problem solving; coping strategies; and intimate knowledge of community resources to reduce environmental barriers to independent living.

Recommendation – the outcome of either a finding or an observation during a compliance review is then followed by a "recommendation". Recommendations are suggestions from DHS-DRS on ways to correct the findings; ways to respond to observations; or ways to improve practices in general.

~~l)~~ State Appropriated Funds – those funds appropriated by the Illinois General Assembly for DHS to support and enhance Independent Living Services in the State.

~~m)~~ State Plan for Independent Living or ~~(~~State Plan or SPIL~~)~~ – the plan required under section 704 of Title VII of the Act that is jointly developed by ~~DHS and~~ the Statewide Independent Living Council (SILC) ~~(89 Ill. Adm. Code 515)~~ and the directors of the CILs, after receiving public input from individuals with disabilities and other stakeholders throughout the State and approved by the Administration for Community Living~~, and approved by Director and the Chairperson of SILC, which is submitted for review and approval by RSA~~. The State Plan outlines the services, goals, and objectives of the statewide independent living program~~DHS Independent Living Program~~, as well as outlining~~the plan for~~ Independent Living Services throughout the State, and is the basis for receipt of Part B and Part C Funds received from ACL~~RSA~~.

~~n)~~ Statewide Independent Living Council or ~~(~~SILC~~)~~ – the mandated council established pursuant to the ~~Rehabilitation~~ Act ~~of 1973, as amended (29 U.S.C. 701-796i)~~ and Section 12a of the Disabled Persons Rehabilitation Act [20 ILCS 2405~~/12a~~] and governed by DHS rules~~Administrative Rules~~ at 89 Ill. Adm. Code 515.

System Advocacy – reducing barriers to community participation through:

public education and media engagement;

utilizing the legal/judicial process;

engaging in legislative advocacy; and/or

influencing administrative or regulatory entities.

Transition Services – services that:

facilitate the transition of individuals with significant disabilities from nursing homes and other institutions to home and community-based residences, with the requisite supports and services;

provide assistance to individuals with significant disabilities who are at risk of entering institutions so that the individuals may remain in the community; and

facilitate the transition of youth who are individuals with significant disabilities.

~~o)~~ Unserved or Underserved – groups or populations of individuals with severe disabilities in the State, including but not limited to those groups that~~which~~:

~~1)~~ have cognitive or sensory impairments;

~~2)~~ are members of disadvantaged racial or ethnic minority groups that are served at ratios less than their proportion of a CIL's service area;

are individuals with limited English proficiency;

~~3)~~ live in rural or urban areas; or

~~4)~~ are identified by DHS or a local CIL as being from an unserved or underserved rural or urban geographic area.

(Source: Amended at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.30 Program Description~~Purpose~~

a) In order to further promote independence and full community participation of individuals with disabilities and individuals with significant disabilities in Illinois, DHS-DRS~~DHS-ORS~~ shall distribute State appropriated funds~~Appropriated Funds~~ and Part B Funds received to eligible CILs in accordance with the ~~Rehabilitation~~ Act ~~of 1973, as amended (29 U.S.C. 701-796i)~~ and federal regulations at 35 CFR 364. Further, State appropriated funds~~Appropriated Funds~~ may be used in addition to Part C Funds, which are not under DHS-DRS~~DHS-ORS~~ control, to establish new CILs.

b) CILs are consumer-controlled, community-based, cross-disability, nonresidential, private not-for-profit agencies for individuals with significant disabilities (regardless of age or income) that:

1) receive State and/or federal funds to provide an array of Independent Living Services, as defined in the Act, including at a minimum, Independent Living Core Services;

2) are designed and operated within a local community by a majority of individuals with disabilities;

3) comply with the standards set out in section 725 of the Act; and

4) are governed by a board of directors that is composed of a majority of individuals who are individuals with disabilities and employ, in management and decision making positions, a majority of individuals who are individuals with disabilities.

c) The DSE is the agency that, on behalf of the State, receives, accounts for and disburses grants, funding received under Part B of the Act, and State appropriated funding to a CIL. The DSE will ensure both federal and State funds are expended properly by:

1) requiring monthly, quarterly and annual reporting from the CILs;

2) conducting on-site compliance reviews of the CILs; and

3) providing technical assistance for, and ongoing monitoring of, contracts entered into by CILs to obtain State and federal grant funding.

(Source: Amended at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.40 Funding from DHS for Independent Living Services (Repealed)

~~a) Funding from DHS, through available Part B Funds and State Appropriated Funds, shall be provided to CILs, in accordance with Title VII - Part B of the Rehabilitation Act of 1973, as amended (29 U.S.C. 701-796i), federal regulations at 34 CFR 364, and the provisions of this Part, which apply for, and are determined eligible to receive or continue to receive, funding pursuant to Sections 886.50, 886.60, and 886.70 of this Part.~~

~~b) Such funding shall be provided to eligible CILs for the purposes of:~~

~~1) activities described in the State Plan;~~

~~2) provision of Independent Living Services (IL Services);~~

~~3) demonstration of ways to expand and improve IL Services in Illinois;~~

~~4) supporting the operations of CILs throughout the State;~~

~~5) increasing the scope of services provided by CILs;~~

~~6) conducting studies and making reports on the finding of such studies which will enhance IL Services in the State;~~

~~7) providing training to individuals with and without disabilities regarding the philosophy of Independent Living;~~

~~8) developing a mechanism by which a CIL will inform its customers of their rights to an Independent Living Plan and review and revision of that plan, their rights of appeal, including the availability of services through the Client Assistance Program; and~~

~~9) providing outreach to populations that are unserved or underserved.~~

(Source: Repealed at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.50 Applications for First-time Funding from the Designated State Entity~~DHS~~

for Centers for Independent Living

a) When making application for funding from the DSE~~DHS~~, the CIL must provide documentation that~~which~~ demonstrates:

1~~a~~) a broad-based support from individuals with disabilities and consumer groups within the communities~~community(ies)~~ the CIL will serve;

2~~b~~) that the CIL is operated with consumer control, as defined in Section 886.20~~(c) of this Part~~;

3~~c~~) that the CIL has a broad understanding of existing community resources and the needs for additional resources in the communities~~community(ies)~~ it serves;

4~~d~~) adequate knowledge, skill~~,~~ and resources to provide at least the Independent Living Core Services, as defined~~described~~ in Section 886.20~~(f) of this Part~~;

5~~e~~) involvement of the CIL, ~~in the community(ies)~~ with community entities such ~~groups~~ as city council, county board, and other political sub-units, for the purposes of educating these groups on disability issues and advocating for system change;

6~~f~~) compliance with all provisions for physical and programmatic accessibility set forth in~~of the~~ State and federal law~~CIL as required by Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Non-discrimination on the Basis of Handicap in Programs and Activities Receiving or Benefitting from Federal Financial Assistance (34 CFR 104), the Illinois Human Rights Act [775 ILCS 5], the Illinois Accessibility Code (71 Ill. Adm. Code 400), the Americans with Disabilities Act (42 U.S.C. 12101), and any other appropriate State or federal law or regulation~~;

7~~g~~) the ability to provide Independent Living Services as defined~~described~~ in Section 886.20~~(g) of this Part~~; ~~and~~

8) compliance with the provisions for application for funding through the federal Uniform Administrative Requirements, Cost Principles and Audit

Requirements for Federal Awards (2 CFR 200) and the Illinois Grant Accountability and Transparency Act [30 ILCS 708]; and

9~~h~~) any other provision regarding the operation of a CIL as required by DHS, or State or federal law or regulation.

b) On an annual basis, the DSE shall review all new applications for first-time funding received from CILs. Applications shall be ranked based on the determination of the CIL's ability to meet the criteria listed in this Section. The determination of the DSE shall be based upon such considerations as:

1) ranking of the application;

2) needs of unserved or underserved populations; and

3) thoroughness of the proposed program.

(Source: Amended at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.60 Review and Approval of Initial Applications for Funding from DHS (Repealed)

~~On an annual basis, DHS shall review all new applications for first-time funding received from CILs. Applications shall be ranked based on the determination of the CIL's ability to meet the criteria listed in Section 886.50. The results of the review shall be presented to DHS' Director who shall have the final determination for distribution of first-time funding. The determination of DHS' Director shall be based upon such considerations as:~~

~~a) ranking of the application;~~

~~b) unserved or underserved population;~~

~~c) thoroughness of the proposed program.~~

(Source: Repealed at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.70 Compliance Reviews and Recertification for CILs for Continued Funding

a) The DSE will~~Annually, or whenever it is determined necessary by DHS, DHS~~

~~shall~~ conduct an on-site compliance review of all ~~DHS-funded~~ CILs to:

1) verify compliance with the standards and assurances in section 725 of the Act, as well as other applicable State and federal statutes;

2) verify compliance with State grant contract terms and conditions; and

3) ascertain whether the DSE~~DHS~~ should renew, modify~~,~~ or terminate funding agreements with the CIL.

b) The frequency of which on-site reviews will be conducted will be based on State and federal regulations related to grant administration.

c~~b~~) On-Site Peer Review
The on-site compliance review will~~review shall~~ be completed using a team of ~~peer~~ reviewers ~~which is~~ selected and established by the DSE.~~DHS and the Illinois Network of Centers for Independent Living (INCIL), if funding permits.~~ The peer review team shall consist of at least one current CIL director with at least 3 years management experience selected from a list of current CIL directors, at least one member of DHS' Independent Living staff, and at least one person with a disability. DHS reserves the right to select another CIL director, if the director selected is responsible for a CIL that has been found to be in Unacceptable Noncompliance~~out of compliance~~ as a result of a compliance review completed within the last 12~~twelve~~ months. ~~When sufficient funds are not available, reviews shall be completed by only DHS Independent Living staff.~~

d) DSE Review
The DSE will review CILs using the criteria established by the federal awarding agency for review of compliance for CILs receiving funding under Part B, as defined by Section 706(c) of the Act.

~~c) DHS shall review CILs using the criteria established by RSA for review of compliance for CILs receiving funding under Part C, as defined by Section 725(b) of the Rehabilitation Act of 1973, as amended (29 U.S.C. 725(b)).~~

e) Upon completion of the compliance review, a written report of findings, observations, recommendations and compliance rating will be prepared by the DSE and then sent to the executive director (or his or her designee) and the chairperson of the board of directors of the CIL under review.

f) Compliance ratings, and their subsequent impact, include:

1) Full Compliance – The CIL will receive funding at the same or an increased level as the current year within the limitation of available funds and the needs of DHS. The CIL will be exempt from undergoing a full compliance review for a period not to exceed 3 years, unless the need for such a review is otherwise indicated to ensure contract compliance.

2) Noncompliance – If one or more findings, as defined in Section 886.20, are identified in the on-site compliance review report, the CIL reviewed will be placed in a probationary status until findings are remedied through implementation of a corrective action plan. The length of the probationary period is at the discretion of the DSE, but will not last more than 12 months.

3) Unacceptable Noncompliance – A finding of "unacceptable noncompliance" may be made if a CIL in "noncompliance" status fails to correct compliance review findings within the probationary period. This finding may also be made if the findings of the compliance review are determined to be of such significance that a finding of "noncompliance" would be inappropriate, and that immediate action is necessary on the part of the DSE. In instances of "unacceptable noncompliance", the DSE will make recommendation to the DHS-DRS Director that funding to the CIL cease. There will be no probationary period or subsequent review of the CIL. The decision to defund a CIL is to be made by the DHS-DRS Director. All funding to that CIL will terminate 90 days after the date of notification (see 20 ILCS 2405/12(f)).

g) Appeal

1) A CIL that does not agree with the compliance review rating it receives may grieve the rating, as follows:

A) For Ratings of Noncompliance – The affected CIL must request a review by the DSE within 30 calendar days after receipt of the written notice of the rating of Noncompliance. Within 10 business days after the request, the Manager of the DRS Independent Living Unit (or his or her designee) acting as the DSE will contact the CIL

in writing to inform the CIL of the date, time and location of a meeting to discuss the grievance. The meeting will include a review of any evidence provided by the CIL and a presentation of evidence on behalf of the DSE. The meeting must occur within 30 days after the request for review filed by the CIL. Within 10 calendar days after the date of the meeting, the DSE will issue a written decision in response to the grievance.

B) Any CIL not satisfied with the result of the DSE review of its grievance of a finding of noncompliance may request a review by the DHS-DRS Director, or his or her designee. The CIL will submit evidence in support of its case to the Director/designee. The Director/designee will then review the information provided by the CIL and the DHS file regarding the compliance rating. The Director/designee will then issue a written decision on the matter. Any CIL not satisfied with the result of the DHS-DRS Director's Review may request a review by the Secretary, or his or her designee. The DHS Secretary's review is the final step in the grievance process for ratings of Noncompliance and will constitute DHS' final action on the matter.

C) If a CIL achieves a Full Compliance rating as a result of the review of the DSE or the DHS-DRS Director, the provisions of subsection (g)(1) shall apply.

2) For Ratings of Unacceptable Noncompliance

A) The affected CIL must follow the grievance procedures set forth within the Uniform Grant Agreement and the State of Illinois Grantee Compliance Enforcement System.

B) During the existing contract year, funding that was discontinued to the affected CIL may be redirected by the DSE to other CIL grantees for the provision of independent living services in the area previously served.

(Source: Amended at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.80 Impact of the Compliance Review (Repealed)

~~Based on the reviewers' observations regarding the CIL's compliance with DHS' requirements, each CIL undergoing a review will be given a written summary which will include both positive and negative aspects of the operations of the CIL.~~

(Source: Repealed at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.90 Reporting the Outcome of a Compliance Review (Repealed)

~~a) Upon completion of the compliance review, a written report of findings will be prepared by the Manager of the Division and/or lead reviewer, and provided to the Manager – Division of Independent Living.~~

~~b) The Manager – Division of Independent Living shall review the report to ensure all information is correct and adequate and shall prepare a written recommendation regarding future funding from DHS to the CIL and submit the recommendation to the DHS-ORS' Associate Director for review.~~

~~c) After the evaluation of the compliance review, the Manager – Division of Independent Living shall determine if an additional review is necessary. If the Manager determines that additional review is necessary, the Manager shall notify the CIL in writing that deficiencies were found. The Manager shall initiate the additional review process along with establishing a review team. This additional review shall be undertaken when it is determined that corrective action is needed by the CIL due to non-compliance.~~

~~d) DHS-ORS' Associate Director shall then review the recommendation and supporting documentation provided by the Manager – Division of Independent Living and make a final determination as to future funding to the CIL.~~

(Source: Repealed at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.100 Funding Based on Compliance Review Outcomes (Repealed)

~~After review of the recommendation and supporting material, DHS-ORS' Associate Director shall assign the CIL a final compliance rating, as follows, which will have the impact described below.~~

~~a) Full Compliance – the CIL shall receive funding at the same or an increased level~~

~~as the current year within the limitation of available funds and the needs of DHS and shall be exempt from undergoing a Full Compliance Review for a period not to exceed 3 years.~~

~~b)~~ ~~Noncompliance – the CIL will be placed on 12 month probationary status to remedy deficiencies identified in the Compliance Review. Funding will remain at the same level as the current year for the 12 month probationary period within the limitation of available funds and the needs of DHS. During the probationary period, DHS shall monitor the progress of the CIL to ensure deficiencies are being corrected. Prior to the end of the 12 month probationary period, DHS shall perform a Compliance Review of the CIL reviewing only those items on which the CIL was found deficient. In the second Compliance Review, the CIL must obtain a Full Compliance Rating or funding to the CIL shall be terminated within 30 days. If the CIL achieves a Full Compliance Rating as a result of the second review, the provisions of subsection (a) above shall apply.~~

~~c)~~ ~~Unacceptable Noncompliance – funding to the CIL will be ceased in 30 days. There will be no probationary period or subsequent review of the CIL.~~

(Source: Repealed at 44 Ill. Reg. 2808, effective January 31, 2020)

Section 886.110 Grievance of Compliance Review Ratings (Repealed)

~~A CIL which does not agree with the Compliance Review Rating which it receives as a result of a Primary or Secondary Compliance Review may grieve the rating through a two-step grievance, as follows.~~

~~a)~~ ~~Level I – Manager's Review~~

~~1)~~ ~~Within 30 calendar days after the date of the final Compliance Rating given to the CIL, the CIL may request a review by the Manager-Division of Independent Living. The request must be in writing and state the specific items with which the CIL disagrees.~~

~~2)~~ ~~Within 10 calendar days after the date of the request, the Manager-Division of Independent Living will contact the CIL in writing and will inform the CIL of the time, date, and location of a meeting to discuss the grievance. The meeting must be within 30 days after the date of the request for review filed by the CIL. The purpose of the meeting will be~~

~~for both sides to present evidence to support its case, the review team to present information to justify the ratings, and for the CIL to present information to refute the ratings.~~

~~3) Within 10 calendar days after the date of the meeting, the Manager-Division of Independent Living will issue his/her written decision on the grievance.~~

~~4) If the initial determination was to discontinue funding to the CIL, funding will not continue during the grievance process past the date of the current contract's funding termination date.~~

~~b) Associate Director's Review~~

~~1) Any CIL not satisfied with the result of the Manager's Review may request an Associate Director's Review. In order to request an Associate Director's Review the CIL must, within 10 calendar days after the date of the Manager's Review decision, request such a review. The request must be in writing to DHS' Director and state the specific items with which the CIL disagrees.~~

~~2) Within 10 calendar days after the date of the request, the Director, will contact the CIL in writing and will inform the CIL of the date by which evidence must be submitted for review. This date will be within 15 calendar days after the date of the request for a Director's Review.~~

~~3) The Director, will then review the information provided by the CIL and the DHS file regarding the Compliance Rating and shall, within 30 calendar days after the date evidence is to be submitted for the Director's Review, issue a written decision on the matter. The Director's, Review is the final step in the grievance process and shall constitute DHS' final action on the matter.~~

(Source: Repealed at 44 Ill. Reg. 2808, effective January 31, 2020)

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENT

1) Heading of the Part: Medical Assistance Programs

2) Code Citation: 89 Ill. Adm. Code 120

3) Section Number: 120.66 — Adopted Action: Amendment

4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]

5) Effective Date of Rule: January 29, 2020

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rule, including any materials incorporated by reference, is on file in the Agency's principal office and is available for public inspection.

9) Notice of Proposal published in *Illinois Register*: 43 Ill. Reg. 7599; July 12, 2019

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: None

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? No changes were made.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any other rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: This amendment expands the list of provider types that may become Qualified Medicaid Presumptive Eligibility Providers and make presumptive determinations for pregnant women.

16) Information and questions regarding this adopted rule shall be directed to:

Steffanie Garrett
General Counsel

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENT

Illinois Department of Healthcare and Family Services
201 South Grand Avenue East, 3rd Floor
Springfield IL 62763-0002

HFS.Rules@Illinois.gov

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENT

TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
SUBCHAPTER b: ASSISTANCE PROGRAMS

PART 120
MEDICAL ASSISTANCE PROGRAMS

SUBPART A: GENERAL PROVISIONS

Section
120.1 Incorporation By Reference

SUBPART B: ASSISTANCE STANDARDS

Section
120.10 Eligibility for Medical Assistance
120.11 Eligibility for Pregnant Women and Children
120.12 Healthy Start – Medicaid Presumptive Eligibility for Pregnant Women (Repealed)
120.14 Presumptive Eligibility for Children (Repealed)
120.20 MANG(AABD) Income Standard
120.30 MANG(C) Income Standard
120.31 MANG(P) Income Standard
120.32 FamilyCare Assist
120.34 FamilyCare Share and FamilyCare Premium Level 1 (Repealed)
120.40 Exceptions To Use Of MANG Income Standard MANG (AABD) (Repealed)
120.50 AMI Income Standard (Repealed)

SUBPART C: FINANCIAL ELIGIBILITY DETERMINATION

Section
120.60 Community Cases
120.61 Long Term Care
120.62 Department of Mental Health and Developmental Disabilities (DMHDD) Approved Home and Community Based Residential Settings Under 89 Ill. Adm. Code 140.643 (Repealed)
120.63 Department of Mental Health and Developmental Disabilities (DMHDD) Approved Home and Community Based Residential Settings (Repealed)
120.64 Determination of Eligibility for Cases Subject to Modified Adjusted Gross Income (MAGI) Methodology

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENT

120.65 Department of Mental Health and Developmental Disabilities (DMHDD) Licensed Community – Integrated Living Arrangements (Repealed)
120.66 ~~Healthy Start~~ – Medicaid Presumptive Eligibility for Pregnant Women
120.67 Presumptive Eligibility for Children
120.68 Hospital Presumptive Eligibility (HPE) under the Affordable Care Act

SUBPART D: MEDICARE PREMIUMS

Section
120.70 Supplementary Medical Insurance Benefits (SMIB) Buy-In Program
120.72 Eligibility for Medicare Cost Sharing as a Qualified Medicare Beneficiary (QMB)
120.73 Eligibility for Payment of Medicare Part B Premiums for Specified Low-Income Medicare Beneficiaries (SLIBs) and Qualified Individuals-1 (QI-1)
120.74 Qualified Medicare Beneficiary (QMB) Income Standard
120.75 Specified Low-Income Medicare Beneficiaries (SLIBs) and Qualified Individuals-1 (QI-1) Income Standards
120.76 Hospital Insurance Benefits (HIB)

SUBPART E: RECIPIENT RESTRICTION PROGRAM

Section
120.80 Recipient Restriction Program

SUBPART F: MIGRANT MEDICAL PROGRAM

Section
120.90 Migrant Medical Program (Repealed)
120.91 Income Standards (Repealed)

SUBPART G: AID TO THE MEDICALLY INDIGENT

Section
120.200 Elimination Of Aid To The Medically Indigent
120.208 Client Cooperation (Repealed)
120.210 Citizenship (Repealed)
120.211 Residence (Repealed)
120.212 Age (Repealed)
120.215 Relationship (Repealed)
120.216 Living Arrangement (Repealed)

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENT

120.217 Supplemental Payments (Repealed)
120.218 Institutional Status (Repealed)
120.224 Foster Care Program (Repealed)
120.225 Social Security Numbers (Repealed)
120.230 Unearned Income (Repealed)
120.235 Exempt Unearned Income (Repealed)
120.236 Education Benefits (Repealed)
120.240 Unearned Income In-Kind (Repealed)
120.245 Earmarked Income (Repealed)
120.250 Lump Sum Payments and Income Tax Refunds (Repealed)
120.255 Protected Income (Repealed)
120.260 Earned Income (Repealed)
120.261 Budgeting Earned Income (Repealed)
120.262 Exempt Earned Income (Repealed)
120.270 Recognized Employment Expenses (Repealed)
120.271 Income From Work/Study/Training Program (Repealed)
120.272 Earned Income From Self-Employment (Repealed)
120.273 Earned Income From Roomer and Boarder (Repealed)
120.275 Earned Income In-Kind (Repealed)
120.276 Payments from the Illinois Department of Children and Family Services (Repealed)
120.280 Assets (Repealed)
120.281 Exempt Assets (Repealed)
120.282 Asset Disregards (Repealed)
120.283 Deferral of Consideration of Assets (Repealed)
120.284 Spend-down of Assets (AMI) (Repealed)
120.285 Property Transfers (Repealed)
120.290 Persons Who May Be Included in the Assistance Unit (Repealed)
120.295 Payment Levels for AMI (Repealed)

SUBPART H: MEDICAL ASSISTANCE – NO GRANT (MANG) ELIGIBILITY FACTORS

Section
120.308 Client Cooperation
120.309 Caretaker Relative
120.310 Citizenship
120.311 Residence
120.312 Age
120.313 Blind

120.314 Disabled
120.315 Relationship
120.316 Living Arrangement
120.317 Supplemental Payments
120.318 Institutional Status
120.319 Assignment of Rights to Medical Support and Collection of Payment
120.320 Cooperation in Establishing Paternity and Obtaining Medical Support
120.321 Good Cause for Failure to Cooperate in Establishing Paternity and Obtaining Medical Support
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DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

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120.TABLE A Value of a Life Estate and Remainder Interest
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AUTHORITY: Implementing Articles III, IV, V and VI and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5] and implementing the federal Deficit Reduction Act of 2005.

SOURCE: Filed effective December 30, 1977; peremptory amendment at 2 Ill. Reg. 17, p. 117, effective February 1, 1978; amended at 2 Ill. Reg. 31, p. 134, effective August 5, 1978; emergency amendment at 2 Ill. Reg. 37, p. 4, effective August 30, 1978, for a maximum of 150 days; peremptory amendment at 2 Ill. Reg. 46, p. 44, effective November 1, 1978; peremptory amendment at 2 Ill. Reg. 46, p. 56, effective November 1, 1978; emergency amendment at 3 Ill. Reg. 16, p. 41, effective April 9, 1979, for a maximum of 150 days; emergency amendment at 3 Ill. Reg. 28, p. 182, effective July 1, 1979, for a maximum of 150 days; amended at 3 Ill. Reg. 33, p. 399, effective August 18, 1979; amended at 3 Ill. Reg. 33, p. 415, effective August 18, 1979; amended at 3 Ill. Reg. 38, p. 243, effective September 21, 1979; peremptory amendment at 3 Ill. Reg. 38, p. 321, effective September 7, 1979; amended at 3 Ill. Reg. 40, p. 140, effective October 6, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; peremptory amendment at 4 Ill. Reg. 9, p. 259, effective February 22, 1980; amended at 4 Ill. Reg. 10, p. 258, effective February 25, 1980; amended at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; amended at 4 Ill. Reg. 27, p. 387, effective June 24, 1980; emergency amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 37, p. 800, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 27, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1134, effective January 26, 1981; peremptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; amended at 5 Ill. Reg. 7104, effective June 23, 1981; amended at 5 Ill. Reg. 8041, effective July 27, 1981; amended at 5 Ill. Reg. 8052, effective July 24, 1981; peremptory amendment at 5 Ill. Reg. 8106, effective August 1, 1981; peremptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10079, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10095, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10113, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10124, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10131, effective October 1, 1981; amended at 5 Ill. Reg. 10730, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 10760, effective

October 1, 1981; amended at 5 Ill. Reg. 10767, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 11647, effective October 16, 1981; peremptory amendment at 6 Ill. Reg. 611, effective January 1, 1982; amended at 6 Ill. Reg. 1216, effective January 14, 1982; emergency amendment at 6 Ill. Reg. 2447, effective March 1, 1982, for a maximum of 150 days; peremptory amendment at 6 Ill. Reg. 2452, effective February 11, 1982; peremptory amendment at 6 Ill. Reg. 6475, effective May 18, 1982; peremptory amendment at 6 Ill. Reg. 6912, effective May 20, 1982; emergency amendment at 6 Ill. Reg. 7299, effective June 2, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8115, effective July 1, 1982; amended at 6 Ill. Reg. 8142, effective July 1, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10970, effective August 26, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12293, effective October 1, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; amended at 7 Ill. Reg. 394, effective January 1, 1983; codified at 7 Ill. Reg. 6082; amended at 7 Ill. Reg. 8256, effective July 1, l983; amended at 7 Ill. Reg. 8264, effective July 5, l983; amended (by adding Section being codified with no substantive change) at 7 Ill. Reg. 14747; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 16108; amended at 8 Ill. Reg. 5253, effective April 9, 1984; amended at 8 Ill. Reg. 6770, effective April 27, 1984; amended at 8 Ill. Reg. 13328, effective July 16, 1984; amended (by adding Sections being codified with no substantive change) at 8 Ill. Reg. 17897; amended at 8 Ill. Reg. 18903, effective September 26, 1984; peremptory amendment at 8 Ill. Reg. 20706, effective October 3, 1984; amended at 8 Ill. Reg. 25053, effective December 12, 1984; emergency amendment at 9 Ill. Reg. 830, effective January 3, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 4515, effective March 25, 1985; amended at 9 Ill. Reg. 5346, effective April 11, 1985; amended at 9 Ill. Reg. 7153, effective May 6, 1985; amended at 9 Ill. Reg. 11346, effective July 8, 1985; amended at 9 Ill. Reg. 12298, effective July 25, 1985; amended at 9 Ill. Reg. 12823, effective August 9, 1985; amended at 9 Ill. Reg. 15903, effective October 4, 1985; amended at 9 Ill. Reg. 16300, effective October 10, 1985; amended at 9 Ill. Reg. 16906, effective October 18, 1985; amended at 10 Ill. Reg. 1192, effective January 10, 1986; amended at 10 Ill. Reg. 3033, effective January 23, 1986; amended at 10 Ill. Reg. 4907, effective March 7, 1986; amended at 10 Ill. Reg. 6966, effective April 16, 1986; amended at 10 Ill. Reg. 10688, effective June 3, 1986; amended at 10 Ill. Reg. 12672, effective July 14, 1986; amended at 10 Ill. Reg. 15649, effective September 19, 1986; amended at 11 Ill. Reg. 3992, effective February 23, 1987; amended at 11 Ill. Reg. 7652, effective April 15, 1987; amended at 11 Ill. Reg. 8735, effective April 20, 1987; emergency amendment at 11 Ill. Reg. 12458, effective July 10, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 14034, effective August 14, 1987; amended at 11 Ill. Reg. 14763, effective August 26, 1987; amended at 11 Ill. Reg. 20142, effective January 1, 1988; amended at 11 Ill. Reg. 20898, effective December 14, 1987; amended at 12 Ill. Reg. 904, effective January 1, 1988; amended at 12 Ill. Reg. 3516, effective January 22, 1988; amended at 12 Ill. Reg. 6234, effective March 22, 1988; amended at 12 Ill. Reg. 8672, effective May 13, 1988; amended at 12 Ill. Reg.

9132, effective May 20, 1988; amended at 12 Ill. Reg. 11483, effective June 30, 1988; emergency amendment at 12 Ill. Reg. 11632, effective July 1, 1988, for a maximum of 150 days; emergency amendment at 12 Ill. Reg. 11839, effective July 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 12835, effective July 22, 1988; emergency amendment at 12 Ill. Reg. 13243, effective July 29, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 17867, effective October 30, 1988; amended at 12 Ill. Reg. 19704, effective November 15, 1988; amended at 12 Ill. Reg. 20188, effective November 23, 1988; amended at 13 Ill. Reg. 116, effective January 1, 1989; amended at 13 Ill. Reg. 2081, effective February 3, 1989; amended at 13 Ill. Reg. 3908, effective March 10, 1989; emergency amendment at 13 Ill. Reg. 11929, effective June 27, 1989, for a maximum of 150 days; emergency expired November 25, 1989; emergency amendment at 13 Ill. Reg. 12137, effective July 1, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 15404, effective October 6, 1989; emergency amendment at 13 Ill. Reg. 16586, effective October 2, 1989, for a maximum of 150 days; emergency expired March 1, 1990; amended at 13 Ill. Reg. 17483, effective October 31, 1989; amended at 13 Ill. Reg. 17838, effective November 8, 1989; amended at 13 Ill. Reg. 18872, effective November 17, 1989; amended at 14 Ill. Reg. 760, effective January 1, 1990; emergency amendment at 14 Ill. Reg. 1494, effective January 2, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 4233, effective March 5, 1990; emergency amendment at 14 Ill. Reg. 5839, effective April 3, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 6372, effective April 16, 1990; amended at 14 Ill. Reg. 7637, effective May 10, 1990; amended at 14 Ill. Reg. 10396, effective June 20, 1990; amended at 14 Ill. Reg. 13227, effective August 6, 1990; amended at 14 Ill. Reg. 14814, effective September 3, 1990; amended at 14 Ill. Reg. 17004, effective September 30, 1990; emergency amendment at 15 Ill. Reg. 348, effective January 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 5302, effective April 1, 1991; amended at 15 Ill. Reg. 10101, effective June 24, 1991; amended at 15 Ill. Reg. 11973, effective August 12, 1991; amended at 15 Ill. Reg. 12747, effective August 16, 1991; amended at 15 Ill. Reg. 14105, effective September 11, 1991; amended at 15 Ill. Reg. 14240, effective September 23, 1991; amended at 16 Ill. Reg. 139, effective December 24, 1991; amended at 16 Ill. Reg. 1862, effective January 20, 1992; amended at 16 Ill. Reg. 10034, effective June 15, 1992; amended at 16 Ill. Reg. 11582, effective July 15, 1992; amended at 16 Ill. Reg. 17290, effective November 3, 1992; amended at 17 Ill. Reg. 1102, effective January 15, 1993; amended at 17 Ill. Reg. 6827, effective April 21, 1993; amended at 17 Ill. Reg. 10402, effective June 28, 1993; amended at 18 Ill. Reg. 2051, effective January 21, 1994; amended at 18 Ill. Reg. 5934, effective April 1, 1994; amended at 18 Ill. Reg. 8718, effective June 1, 1994; amended at 18 Ill. Reg. 11231, effective July 1, 1994; amended at 19 Ill. Reg. 2905, effective February 27, 1995; emergency amendment at 19 Ill. Reg. 9280, effective July 1, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 11931, effective August 11, 1995; amended at 19 Ill. Reg. 15079, effective October 17, 1995; amended at 20 Ill. Reg. 5068, effective March 20, 1996; amended at 20 Ill. Reg. 15993, effective December 9, 1996; emergency amendment at 21 Ill. Reg. 692, effective January 1, 1997, for a

maximum of 150 days; amended at 21 Ill. Reg. 7423, effective May 31, 1997; amended at 21 Ill. Reg. 7748, effective June 9, 1997; amended at 21 Ill. Reg. 11555, effective August 1, 1997; amended at 21 Ill. Reg. 13638, effective October 1, 1997; emergency amendment at 22 Ill. Reg. 1576, effective January 5, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 7003, effective April 1, 1998; amended at 22 Ill. Reg. 8503, effective May 1, 1998; amended at 22 Ill. Reg. 16291, effective August 28, 1998; emergency amendment at 22 Ill. Reg. 16640, effective September 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 19875, effective October 30, 1998; amended at 23 Ill. Reg. 2381, effective January 22, 1999; amended at 23 Ill. Reg. 11301, effective August 27, 1999; amended at 24 Ill. Reg. 7361, effective May 1, 2000; emergency amendment at 24 Ill. Reg. 10425, effective July 1, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 15075, effective October 1, 2000; amended at 24 Ill. Reg. 18309, effective December 1, 2000; amended at 25 Ill. Reg. 8783, effective July 1, 2001; emergency amendment at 25 Ill. Reg. 10533, effective August 1, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 16098, effective December 1, 2001; amended at 26 Ill. Reg. 409, effective December 28, 2001; emergency amendment at 26 Ill. Reg. 8583, effective June 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 9843, effective June 26, 2002; emergency amendment at 26 Ill. Reg. 11029, effective July 1, 2002, for a maximum of 150 days; emergency amendment at 26 Ill. Reg. 15051, effective October 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 16288, effective October 25, 2002; amended at 27 Ill. Reg. 4708, effective February 25, 2003; emergency amendment at 27 Ill. Reg. 10793, effective July 1, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 18609, effective November 26, 2003; amended at 28 Ill. Reg. 4701, effective March 3, 2004; amended at 28 Ill. Reg. 6139, effective April 1, 2004; emergency amendment at 28 Ill. Reg. 6610, effective April 19, 2004, for a maximum of 150 days; emergency amendment at 28 Ill. Reg. 7152, effective May 3, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 11149, effective August 1, 2004; emergency amendment at 28 Ill. Reg. 12921, effective September 1, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 13621, effective September 28, 2004; amended at 28 Ill. Reg. 13760, effective October 1, 2004; amended at 28 Ill. Reg. 14541, effective November 1, 2004; amended at 29 Ill. Reg. 820, effective January 1, 2005; amended at 29 Ill. Reg. 10195, effective June 30, 2005; amended at 29 Ill. Reg. 14939, effective September 30, 2005; emergency amendment at 30 Ill. Reg. 521, effective January 1, 2006, for a maximum of 150 days; amended at 30 Ill. Reg. 10314, effective May 26, 2006; emergency amendment at 30 Ill. Reg. 15029, effective September 1, 2006, for a maximum of 150 days; amended at 31 Ill. Reg. 2629, effective January 28, 2007; emergency amendment at 31 Ill. Reg. 7323, effective May 1, 2007, for a maximum of 150 days; amended at 31 Ill. Reg. 11667, effective August 1, 2007; amended at 31 Ill. Reg. 12756, effective August 27, 2007; emergency amendment at 31 Ill. Reg. 15854, effective November 7, 2007, for a maximum of 150 days; emergency rule suspended at 31 Ill. Reg. 16060, effective November 13, 2007; emergency rule repealed, effective May 10, 2008; peremptory amendment at 32 Ill. Reg. 7212, effective April 21, 2008; peremptory amendment suspended at

32 Ill. Reg. 8450, effective May 20, 2008; peremptory amendment repealed under Section 5-125 of the Illinois Administrative Procedure Act, effective November 16, 2008; amended at 32 Ill. Reg. 17428, effective November 1, 2008; peremptory amendment at 32 Ill. Reg. 18889, effective November 18, 2008; peremptory amendment suspended at 32 Ill. Reg. 18906, effective November 19, 2008; suspension withdrawn by the Joint Committee on Administrative Rules at 33 Ill. Reg. 6551, effective April 28, 2009; peremptory amendment repealed by emergency rulemaking at 33 Ill. Reg. 6712, effective April 28, 2009, for a maximum of 150 days; amended at 33 Ill. Reg. 1681, effective February 1, 2009; amended at 33 Ill. Reg. 2289, effective March 1, 2009; emergency amendment at 33 Ill. Reg. 5802, effective April 2, 2009, for a maximum of 150 days; emergency expired August 29, 2009; emergency amendment at 33 Ill. Reg. 10785, effective June 30, 2009, for a maximum of 150 days; amended at 33 Ill. Reg. 12703, effective September 7, 2009; amended at 33 Ill. Reg. 15707, effective November 2, 2009; amended at 33 Ill. Reg. 17070, effective December 2, 2009; amended at 34 Ill. Reg. 889, effective December 30, 2009; emergency rulemaking at 34 Ill. Reg. 13538, effective September 1, 2010, for a maximum of 150 days; amended at 35 Ill. Reg. 379, effective December 27, 2010; amended at 35 Ill. Reg. 979, effective January 1, 2011; amended at 35 Ill. Reg. 18645, effective January 1, 2012; amended at 36 Ill. Reg. 4133, effective March 1, 2012; amended at 36 Ill. Reg. 9095, effective June 11, 2012; emergency amendment at 36 Ill. Reg. 10253, effective July 1, 2012 through June 30, 2013; amended at 36 Ill. Reg. 17044, effective November 26, 2012; emergency amendment at 36 Ill. Reg. 17549, effective December 3, 2012 through June 30, 2013; amended at 37 Ill. Reg. 10208, effective June 27, 2013; emergency amendment at 37 Ill. Reg. 15976, effective October 1, 2013, for a maximum of 150 days; emergency amendment to emergency rule at 38 Ill. Reg. 1139, effective January 1, 2014, for a maximum of 150 days; emergency amendment to emergency rule at 38 Ill. Reg. 2925, effective January 10, 2014, for a maximum of 150 days; emergency amendments effective January 1 and January 10, 2014 repealed by emergency rule at 38 Ill. Reg. 7368, effective March 24, 2014, for the remainder of the 150 day effective periods of each of the emergency rules; amended at 38 Ill. Reg. 5967, effective February 26, 2014; emergency amendment at 38 Ill. Reg. 7650, effective March 24, 2014, for a maximum of 150 days; emergency amendment at 38 Ill. Reg. 15646, effective July 7, 2014, for a maximum of 150 days; amended at 38 Ill. Reg. 16214, effective July 17, 2014; amended at 38 Ill. Reg. 18432, effective August 19, 2014; amended at 38 Ill. Reg. 23595, effective December 2, 2014; amended at 39 Ill. Reg. 4376, effective March 11, 2015; amended at 40 Ill. Reg. 2784, effective January 20, 2016; amended at 40 Ill. Reg. 11174, effective August 2, 2016; amended at 41 Ill. Reg. 3279, effective March 8, 2017; amended at 42 Ill. Reg. 8241, effective May 7, 2018; amended at 42 Ill. Reg. 16712, effective August 28, 2018; amended at 44 Ill. Reg. 2829, effective January 29, 2020.

SUBPART C: FINANCIAL ELIGIBILITY DETERMINATION

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENT

Section 120.66 ~~Healthy Start –~~ Medicaid Presumptive Eligibility for Pregnant Women

a) The purpose of ~~Healthy Start –~~ Medicaid Presumptive Eligibility (MPE) for pregnant women is to encourage early and continuous prenatal care of low income pregnant women who otherwise may postpone or do without that care. Qualified MPE Providers may make presumptive determinations for MPE.

b) A pregnant woman, as defined in Section 5-2(5)(a) and (b) of the Public Aid Code [305 ILCS 5] may be found presumptively eligible by a qualified MPE Provider as long as she has not been previously determined presumptively eligible under this Section or Section 120.68 during the current pregnancy.

c) The presumptive eligibility period shall be the period that:

1) begins with the date on which a qualified provider determines that the family income does not exceed 200 percent of the Federal Poverty Level (FPL) as determined pursuant to Section 120.64; and

2) ends with and includes the earlier of:

A) in the case of a woman who files an application pursuant to 89 Ill. Adm. Code 110.10 by the last day of the month following the month during which the qualified MPE Provider makes the determination that she is presumptively eligible, the day on which a determination is made by the State with respect to the eligibility of the woman for medical assistance under the Illinois State Medicaid Plan; or

B) in the case of a woman who does not file an application as described in subsection (2)(A) ~~of this Section~~, the last day of the month following the month during which the qualified MPE Provider makes the determination that she is presumptively eligible.

d) Covered Services – Services covered during the presumptive eligibility period under this Section shall include ambulatory care consisting of all outpatient medical care covered by the Illinois State Medicaid Plan.

e) Qualified MPE Providers are those providers that comply with all the following:

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENT

1) Enroll~~Participate~~ as a Medicaid provider under the Illinois State Medicaid Plan;

2) Enter into and abide by the terms of the ~~Healthy Start~~ Medicaid Presumptive Eligibility Provider Agreement with the Department; and

~~3) Furnish services of the type provided by outpatient hospitals, rural health clinics or freestanding, maternity clinics as described in section 1905(a)(2) or 1905(a)(9) of the Social Security Act (42 USC 1396d); and~~

3~~4~~) Meet one or more of the following requirements:

A) Provider furnishing health care items or services covered under the State's approved Medicaid State Plan or the Public Aid Code that is eligible to receive payments under the plan or the Public Aid Code;

B) Federally Qualified Health Center that receives~~Receives~~ funding under the federal~~as a~~ community or migrant health center program (sections 330 and 330A of the Public Health Service Act (42 USC 201 et seq.)~~)~~;

C~~B~~) Community Based Health Clinic, including a maternal/child health center that receives funding under~~Receives funding under~~ Title V of the Social Security Act (42 USC 701-713);

D~~C~~) Local Public Health Department that participates~~Participates~~ in Illinois' perinatal health services program (77 Ill. Adm. Code 640);

E~~D~~) Entity authorized to determine a child's eligibility to receive assistance~~Receives a grant~~ under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) (section 17 of the Child Nutrition Act of 1966 (42 USC 1771));

F~~E~~) Community Service Organization that receives~~Receives~~ a grant under the Commodity Supplemental Food Program (section 4(a) of the Agriculture and Consumer Protection Act of 1973 (PL 93-86)); or

G~~F~~) ~~Is an~~ Indian Health Service provider or ~~a~~ health program facility operated by a tribe or tribal organization under the Indian Self-Determination Act (25 USC 450).

f) Duties of the Department and qualified MPE Providers

1) The Department shall:

A) provide such forms as are necessary for a qualified MPE Provider to submit an MPE enrollment and such forms as are necessary for a pregnant woman to make application for medical assistance pursuant to 89 Ill. Adm. Code 110.10;

B) provide information on how to make MPE determinations and assist women in completing and filing applications for medical assistance; and

C) process MPE enrollments as submitted by qualified MPE Providers.

2) A qualified MPE Provider who determines that a pregnant woman is presumptively eligible for medical assistance under this Section shall:

A) notify the Department of the determination within 5 business days after the date on which the determination is made;

B) inform the woman at the time the determination is made that:

i) her coverage is temporary and will end on the last day of the month following the month in which the MPE determination has been made;

ii) services covered are limited to ambulatory care;

iii) she must complete and submit an application for medical assistance in order to be considered for full coverage; and

C) assist the woman to apply for medical assistance prior to the end of her presumptive eligibility period.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENT

(Source: Amended at 44 Ill. Reg. 2829, effective January 29, 2020)

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Income Tax

2) Code Citation: 86 Ill. Adm. Code 100

3)

Section Numbers:	Adopted Actions:
100.2055	Amendment
100.2160	Amendment
100.2165	Amendment
100.2171	Amendment
100.2180	Amendment
100.2181	New Section
100.2185	Amendment
100.2199	Amendment
100.2470	Amendment

4) Statutory Authority: 35 ILCS 5/201(k), 5/201(m), 203(a)(2)(N), 203(b)(2)(J), 203(c)(2)(K), 203(d)(2)(G), 5/204, 5/208, 5/212, 5/213, 5/220, and 5/225

5) Effective Date of Rules: January 30, 2020

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of the adopted rules, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 43 Ill. Reg. 10682; September 27, 2019 and 43 Ill. Reg. 11073; October 11, 2019

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: All differences between the proposal and the final version are cosmetic and grammatical.

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreements letter issued by JCAR? Yes

13) Will this rulemaking replace an emergency rule currently in effect? No

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENTS

14) Are there any rulemakings pending on this Part? Yes

Section Numbers:	Proposed Actions:	*Illinois Register* Citations:
100.2197	Amendment	44 Ill. Reg. 97; January 3, 2020
100.2590	Amendment	44 Ill. Reg. 97; January 3, 2020
100.3100	Amendment	44 Ill. Reg. 97; January 3, 2020
100.3120	Amendment	44 Ill. Reg. 97; January 3, 2020
100.7010	Amendment	44 Ill. Reg. 97; January 3, 2020
100.2430	Amendment	44 Ill. Reg. 1785; January 24, 2020

15) Summary and Purpose of Rulemaking: This rulemaking amends Sections 100.2055, 100.2160, 100.2165, 100.2171, 100.2180, 100.2185, 100.2199 and 100.2470 and adopts new Section 100.2181 to reflect legislative changes to the Illinois Income Tax Act in PA 97-652, 100-22, 100-328, 100-865, 100-981 and 101-207, an amendment to the Film Production Services Tax Credit Act of 2008 in PA 101-178 extending the sunset date of the credit, an amendment to Section 4.10 of the Family Practice Residency Act in PA 101-118 to allow the Department of Public Health to pay off student loans tax-free of certain "health care providers" rather than just those of certain "primary care physicians" and an amendment to the School Code in PA 98-544 to make attendance at kindergarten mandatory.

16) Information and questions regarding these adopted rules shall be directed to:

Brian Stocker
Staff Attorney
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield IL 62796

217/782-2844

The full text of the Adopted amendments begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENTS

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 100
INCOME TAX

SUBPART A: TAX IMPOSED

Section
100.2000 Introduction
100.2050 Net Income (IITA Section 202)
100.2055 Standard Exemption (IITA Section 204)
100.2060 Compassionate Use of Medical Cannabis Pilot Program Act Surcharge (IITA Section 201(o))

SUBPART B: CREDITS

Section
100.2100 Replacement Tax Investment Credit Prior to January 1, 1994 (IITA Section 201(e))
100.2101 Replacement Tax Investment Credit (IITA 201(e))
100.2110 Investment Credit; Enterprise Zone and River Edge Redevelopment Zone (IITA Section 201(f))
100.2120 Jobs Tax Credit; Enterprise Zone and Foreign Trade Zone or Sub-Zone and River Edge Redevelopment Zone (IITA Section 201(g))
100.2130 Investment Credit; High Impact Business (IITA 201(h))
100.2140 Credit Against Income Tax for Replacement Tax (IITA 201(i))
100.2150 Training Expense Credit (IITA 201(j))
100.2160 Research and Development Credit (IITA Section 201(k))
100.2163 Environmental Remediation Credit (IITA 201(l))
100.2165 Education Expense Credit (IITA 201(m))
100.2170 Tax Credits for Coal Research and Coal Utilization Equipment (IITA 206)
100.2171 Angel Investment Credit (IITA 220)
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100.TABLE A Example of Unitary Business Apportionment (Repealed)

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100.TABLE B Example of Unitary Business Apportionment for Groups Which Include Members Using Three-Factor and Single-Factor Formulas (Repealed)

AUTHORITY: Implementing the Illinois Income Tax Act [35 ILCS 5] and authorized by Section 1401 of the Illinois Income Tax Act [35 ILCS 5].

SOURCE: Filed July 14, 1971, effective July 24, 1971; amended at 2 Ill. Reg. 49, p. 84, effective November 29, 1978; amended at 5 Ill. Reg. 813, effective January 7, 1981; amended at 5 Ill. Reg. 4617, effective April 14, 1981; amended at 5 Ill. Reg. 4624, effective April 14, 1981; amended at 5 Ill. Reg. 5537, effective May 7, 1981; amended at 5 Ill. Reg. 5705, effective May 20, 1981; amended at 5 Ill. Reg. 5883, effective May 20, 1981; amended at 5 Ill. Reg. 6843, effective June 16, 1981; amended at 5 Ill. Reg. 13244, effective November 13, 1981; amended at 5 Ill. Reg. 13724, effective November 30, 1981; amended at 6 Ill. Reg. 579, effective December 29, 1981; amended at 6 Ill. Reg. 9701, effective July 26, 1982; amended at 7 Ill. Reg. 399, effective December 28, 1982; amended at 8 Ill. Reg. 6184, effective April 24, 1984; codified at 8 Ill. Reg. 19574; amended at 9 Ill. Reg. 16986, effective October 21, 1985; amended at 9 Ill. Reg. 685, effective December 31, 1985; amended at 10 Ill. Reg. 7913, effective April 28, 1986; amended at 10 Ill. Reg. 19512, effective November 3, 1986; amended at 10 Ill. Reg. 21941, effective December 15, 1986; amended at 11 Ill. Reg. 831, effective December 24, 1986; amended at 11 Ill. Reg. 2450, effective January 20, 1987; amended at 11 Ill. Reg. 12410, effective July 8, 1987; amended at 11 Ill. Reg. 17782, effective October 16, 1987; amended at 12 Ill. Reg. 4865, effective February 25, 1988; amended at 12 Ill. Reg. 6748, effective March 25, 1988; amended at 12 Ill. Reg. 11766, effective July 1, 1988; amended at 12 Ill. Reg. 14307, effective August 29, 1988; amended at 13 Ill. Reg. 8917, effective May 30, 1989; amended at 13 Ill. Reg. 10952, effective June 26, 1989; amended at 14 Ill. Reg. 4558, effective March 8, 1990; amended at 14 Ill. Reg. 6810, effective April 19, 1990; amended at 14 Ill. Reg. 10082, effective June 7, 1990; amended at 14 Ill. Reg. 16012, effective September 17, 1990; emergency amendment at 17 Ill. Reg. 473, effective December 22, 1992, for a maximum of 150 days; amended at 17 Ill. Reg. 8869, effective June 2, 1993; amended at 17 Ill. Reg. 13776, effective August 9, 1993; recodified at 17 Ill. Reg. 14189; amended at 17 Ill. Reg. 19632, effective November 1, 1993; amended at 17 Ill. Reg. 19966, effective November 9, 1993; amended at 18 Ill. Reg. 1510, effective January 13, 1994; amended at 18 Ill. Reg. 2494, effective January 28, 1994; amended at 18 Ill. Reg. 7768, effective May 4, 1994; amended at 19 Ill. Reg. 1839, effective February 6, 1995; amended at 19 Ill. Reg. 5824, effective March 31, 1995; emergency amendment at 20 Ill. Reg. 1616, effective January 9, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 6981, effective May 7, 1996; amended at 20 Ill. Reg. 10706, effective July 29, 1996; amended at 20 Ill. Reg. 13365, effective September 27, 1996; amended at 20 Ill. Reg. 14617, effective October 29, 1996; amended at 21 Ill. Reg. 958, effective January 6, 1997;

emergency amendment at 21 Ill. Reg. 2969, effective February 24, 1997, for a maximum of 150 days; emergency expired July 24, 1997; amended at 22 Ill. Reg. 2234, effective January 9, 1998; amended at 22 Ill. Reg. 19033, effective October 1, 1998; amended at 22 Ill. Reg. 21623, effective December 15, 1998; amended at 23 Ill. Reg. 3808, effective March 11, 1999; amended at 24 Ill. Reg. 10593, effective July 7, 2000; amended at 24 Ill. Reg. 12068, effective July 26, 2000; emergency amendment at 24 Ill. Reg. 17585, effective November 17, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 18731, effective December 11, 2000; amended at 25 Ill. Reg. 4640, effective March 15, 2001; amended at 25 Ill. Reg. 4929, effective March 23, 2001; amended at 25 Ill. Reg. 5374, effective April 2, 2001; amended at 25 Ill. Reg. 6687, effective May 9, 2001; amended at 25 Ill. Reg. 7250, effective May 25, 2001; amended at 25 Ill. Reg. 8333, effective June 22, 2001; amended at 26 Ill. Reg. 192, effective December 20, 2001; amended at 26 Ill. Reg. 1274, effective January 15, 2002; amended at 26 Ill. Reg. 9854, effective June 20, 2002; amended at 26 Ill. Reg. 13237, effective August 23, 2002; amended at 26 Ill. Reg. 15304, effective October 9, 2002; amended at 26 Ill. Reg. 17250, effective November 18, 2002; amended at 27 Ill. Reg. 13536, effective July 28, 2003; amended at 27 Ill. Reg. 18225, effective November 17, 2003; emergency amendment at 27 Ill. Reg. 18464, effective November 20, 2003, for a maximum of 150 days; emergency expired April 17, 2004; amended at 28 Ill. Reg. 1378, effective January 12, 2004; amended at 28 Ill. Reg. 5694, effective March 17, 2004; amended at 28 Ill. Reg. 7125, effective April 29, 2004; amended at 28 Ill. Reg. 8881, effective June 11, 2004; emergency amendment at 28 Ill. Reg. 14271, effective October 18, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 14868, effective October 26, 2004; emergency amendment at 28 Ill. Reg. 15858, effective November 29, 2004, for a maximum of 150 days; amended at 29 Ill. Reg. 2420, effective January 28, 2005; amended at 29 Ill. Reg. 6986, effective April 26, 2005; amended at 29 Ill. Reg. 13211, effective August 15, 2005; amended at 29 Ill. Reg. 20516, effective December 2, 2005; amended at 30 Ill. Reg. 6389, effective March 30, 2006; amended at 30 Ill. Reg. 10473, effective May 23, 2006; amended by 30 Ill. Reg. 13890, effective August 1, 2006; amended at 30 Ill. Reg. 18739, effective November 20, 2006; amended at 31 Ill. Reg. 16240, effective November 26, 2007; amended at 32 Ill. Reg. 872, effective January 7, 2008; amended at 32 Ill. Reg. 1407, effective January 17, 2008; amended at 32 Ill. Reg. 3400, effective February 25, 2008; amended at 32 Ill. Reg. 6055, effective March 25, 2008; amended at 32 Ill. Reg. 10170, effective June 30, 2008; amended at 32 Ill. Reg. 13223, effective July 24, 2008; amended at 32 Ill. Reg. 17492, effective October 24, 2008; amended at 33 Ill. Reg. 1195, effective December 31, 2008; amended at 33 Ill. Reg. 2306, effective January 23, 2009; amended at 33 Ill. Reg. 14168, effective September 28, 2009; amended at 33 Ill. Reg. 15044, effective October 26, 2009; amended at 34 Ill. Reg. 550, effective December 22, 2009; amended at 34 Ill. Reg. 3886, effective March 12, 2010; amended at 34 Ill. Reg. 12891, effective August 19, 2010; amended at 35 Ill. Reg. 4223, effective February 25, 2011; amended at 35 Ill. Reg. 15092, effective August 24, 2011; amended at 36 Ill. Reg. 2363, effective January 25, 2012; amended at 36 Ill. Reg. 9247, effective June 5, 2012; amended at 37 Ill. Reg. 5823, effective April 19, 2013;

amended at 37 Ill. Reg. 20751, effective December 13, 2013; recodified at 38 Ill. Reg. 4527; amended at 38 Ill. Reg. 9550, effective April 21, 2014; amended at 38 Ill. Reg. 13941, effective June 19, 2014; amended at 38 Ill. Reg. 15994, effective July 9, 2014; amended at 38 Ill. Reg. 17043, effective July 23, 2014; amended at 38 Ill. Reg. 18568, effective August 20, 2014; amended at 38 Ill. Reg. 23158, effective November 21, 2014; emergency amendment at 39 Ill. Reg. 483, effective December 23, 2014, for a maximum of 150 days; amended at 39 Ill. Reg. 1768, effective January 7, 2015; amended at 39 Ill. Reg. 5057, effective March 17, 2015; amended at 39 Ill. Reg. 6884, effective April 29, 2015; amended at 39 Ill. Reg. 15594, effective November 18, 2015; amended at 40 Ill. Reg. 1848, effective January 5, 2016; amended at 40 Ill. Reg. 10925, effective July 29, 2016; amended at 40 Ill. Reg. 13432, effective September 7, 2016; amended at 40 Ill. Reg. 14762, effective October 12, 2016; amended at 40 Ill. Reg. 15575, effective November 2, 2016; amended at 41 Ill. Reg. 4193, effective March 27, 2017; amended at 41 Ill. Reg. 6379, effective May 22, 2017; amended at 41 Ill. Reg. 10662, effective August 3, 2017; amended at 41 Ill. Reg. 12608, effective September 21, 2017; amended at 41 Ill. Reg. 14217, effective November 7, 2017; emergency amendment at 41 Ill. Reg. 15097, effective November 30, 2017, for a maximum of 150 days; amended at 42 Ill. Reg. 4953, effective February 28, 2018; amended at 42 Ill. Reg. 6451, effective March 21, 2018; recodified Subpart H to Subpart G at 42 Ill. Reg. 7980; amended at 42 Ill. Reg. 17582, effective September 24, 2018; amended at 42 Ill. Reg. 19190, effective October 12, 2018; amended at 43 Ill. Reg. 727, effective December 18, 2018; amended at 43 Ill. Reg. 10124, effective August 27, 2019; amended at 44 Ill. Reg. 2363, effective January 17, 2020; amended at 44 Ill. Reg. 2845, effective January 30, 2020.

SUBPART A: TAX IMPOSED

Section 100.2055 Standard Exemption (IITA Section 204)

a) *In computing net income, there shall be allowed as an exemption the sum of the basic amounts provided under subsections (b) and (c) plus the additional exemptions allowed under subsection (d), multiplied by a fraction, the numerator of which is the amount of the taxpayer's base income allocable to this State for the taxable year and the denominator of which is the taxpayer's total base income for the taxable year.* (IITA Section 204(a))

b) Each taxpayer shall be allowed an exemption in the basic amount equal to:

1) in the case of an individual:

A) *for taxable years ending prior to December 31, 1998, $1,000;* (IITA Section 204(b))

B) *for taxable years ending on or after December 31, 1998 and prior to December 31, 1999, $1,300;* (IITA Section 204(b)(1))

C) *for taxable years ending on or after December 31, 1999 and prior to December 31, 2000, $1,650;* (IITA Section 204(b)(2))

D) *for taxable years ending on or after December 31, 2000, and prior to December 31, 2012, $2,000;* (IITA Section 204(b)(3))

E) *for taxable years ending on or after December 31, 2012 and prior to December 31, 2013* and for taxable years beginning on or after June 1, 2017, $2,050; (IITA Section 204(b)(4))

F) *for taxable years ending on or after December 31, 2013 and on or before December 31, 2023*~~beginning prior to June 1, 2017~~*, $2,050 plus the cost-of-living adjustment under subsection (e); and* (IITA Section 204(b)(5))

G) for taxable years ending after December 31, 2023, zero.~~because the increase of the basic amount to $2,050 in subsection (b)(1)(E) and the cost-of-living adjustment in subsection (e) are subject to sunset under IITA Section 250, the basic amount is $2,000 for taxable years beginning on or after June 1, 2017, the fifth anniversary of the effective date of Public Act 97-0652.~~

2) *for taxable years ending on or after December 31, 1992, an individual* ~~a~~ *taxpayer whose Illinois base income exceeds the basic amount and who is claimed as a dependent on another person's tax return under the Internal Revenue Code shall not be allowed any basic amount under this subsection* (b). (IITA Section 204(b))

3) *in the case of a corporation, $1000 for taxable years ending prior to December 31, 2003 and $0 for taxable years ending on or after December 31, 2003.* (IITA Section 204(b))

4) in the case of an organization exempt from tax under IITA Section 205(a), $0. (See IITA Section 205.)

5) in all other cases, $1,000. (See IITA Section 204(b).)

c) Each *individual taxpayer shall be allowed an additional exemption equal to the basic amount for each exemption in excess of one allowable to that individual taxpayer for the taxable year under* IRC section~~*26 USC*~~ *151*. (IITA Section 204(c))

d) Additional Exemptions

1) Each individual taxpayer is allowed:

A) *an additional exemption of $1,000 for the taxpayer if he or she has attained the age of 65 before the end of the taxable year;* (IITA Section 204(d)(1))

B) *an additional exemption of $1,000 for the taxpayer if he or she is blind at the end of the taxable year;* (IITA Section 204(d)(2))

C) *an additional exemption of $1,000 for the spouse of the taxpayer if the spouse has attained the age of 65 before the end of the taxable year* plus *an additional exemption of $1,000 for the spouse of the taxpayer if the spouse is blind as of the end of the taxable year* and, in either case:

i) *a joint return is not made by the taxpayer and his or her spouse;*

ii) *for the calendar year in which the taxable year of the taxpayer begins, the spouse has no gross income and is not the dependent of another taxpayer*. (IITA Section 204(d)(1) and (2))

2) *For purposes of this subsection* (d)*, an individual is blind only if his or her central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his or her visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest*

diameter of the visual fields subtends an angle no greater than 20 degrees. A spouse who dies before the end of a taxpayer's taxable year and who is blind at the time of his or her death shall be treated as blind as of the end of the taxable year. (IITA Section 204(d)(2))

e) *The cost-of-living adjustment for any calendar year and for taxable years ending prior to the end of the subsequent calendar year is equal to $2,050 times the percentage (if any) by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the calendar year 2011.* For purposes of this subsection (e):

1) *The Consumer Price Index for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on August 31 of that calendar year.*

2) *The term "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the United States Department of Labor or any successor agency.*

3) *If any cost-of-living adjustment is not a multiple of $25, that adjustment shall be rounded to the next lowest multiple of $25.* (IITA Section 204(d-5))

f) *In the case of a taxable year for a period of less than 12 months, the standard exemption allowed under this Section shall be prorated on the basis of the number of days in that year to 365.* (IITA Section 401(b))

g) *Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2017, if the taxpayer's adjusted gross income for the taxable year exceeds $500,000, in the case of spouses filing a joint federal tax return or $250,000, in the case of all other taxpayers*, the exemption allowed under this Section is zero. (IITA Section 204(g)) For purposes of this provision, each spouse is a separate taxpayer. This provision applies to partnerships, trusts and estates as well as to individuals. For estates and trusts, adjusted gross income is defined in IRC section 67(e). Because partnerships are not required to compute adjusted gross income, partnerships may use taxable income as defined in IITA Section 203(e)(2)(H) for purposes of this subsection (g).

(Source: Amended at 44 Ill. Reg. 2845, effective January 30, 2020)

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENTS

SUBPART B: CREDITS

Section 100.2160 Research and Development Credit (IITA Section 201(k))

a) *For tax years ending after July 1, 1990 and prior to December 31, 2003, and tax years ending on or after December 31, 2004 and prior to January 1, 2027~~January 1, 2016~~, each~~a~~ taxpayer shall be allowed a credit against the tax imposed by IITA Section 201(a) and (b) for increasing research activities in this State. It is the intent of the General Assembly that the research and development credit under IITA Section 201(k) applies continuously for all tax years ending on or after December 31, 2004 and ending prior to January 1, 2027, including, but not limited to, the period beginning on January 1, 2016,* the date on which the credit expired prior to enactment of PA 100-22, *and ending on July 6, 2017*, the effective date of PA 100-22. *All actions taken in reliance on the continuation of the credit under IITA Section 201(k) by any taxpayer are hereby validated.* (IITA 201(k))~~.~~

b) *The credit allowed shall be equal to 6½% of the qualifying expenditures for increasing research activities in this State.* (IITA Section 201(k))~~.~~

c) Not all "research" will qualify for the credit. Nor will every expenditure associated with research qualify for the credit. Qualified research is defined in IRC section 41(d). Qualifying expenditures means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under IRC section 41 and which are conducted in this State.

1) IRC section 41(b) defines "qualifying research expenses" as the sum of the in-house research expenses and the contract research expenses paid or incurred by the taxpayer during the taxable year in carrying on any trade or business of the taxpayer.

2) Qualifying expenditures also include basic research payments. Basic research payments are defined in IRC section 41(e).

d) 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.

e) Base period means the 3 taxable years immediately preceding the taxable year for which the determination is being made. For purposes of computing the average qualifying expenditures for the base period:

1) For taxable years after a taxpayer has succeeded to the tax items of a corporation under IITA Section 405(a), qualifying expenditures incurred by the corporation during the base period shall be deemed to be qualifying expenditures of the taxpayer.

2) If the taxpayer incurred no qualifying expenditures during a base period year, the qualifying expenditures for that year are zero, even if the taxpayer was not in existence or conducting any business in this State ~~Illinois~~ during that year.

3) If the taxpayer was doing business in this State for only part of a base period year, the qualifying expenditures for that year shall be equal to the qualifying expenditures actually incurred, multiplied by 365 and divided by the number of days in the portion of the taxable year during which the taxpayer was doing business in this State.

4) Qualifying expenditures incurred in taxable years in which the taxpayer did not qualify for the credit, including taxable years ending on or after December 31, 2003 and prior to December 31, 2004 must be included in the computation of qualifying expenditures for the base period.

f) *Any credit in excess of the tax liability for the taxable year may be carried forward to offset the income tax liability of the taxpayer for the next 5 years or until it has been fully utilized, whichever occurs first* (IITA Section 201(k)), 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 is applied first. If a tax liability for the given year remains, the credit from the next earliest year is applied. Any remaining unused credit or credits can be carried forward to the next following year in which a tax liability exists. However, the credit can only be carried forward 5 years from the year in which the taxpayer incurred the expense for which the credit was given. Any unused credit is then forfeited.

g) Combined Returns. In the case of taxpayers filing combined returns, Section 100.5270(d) details the manner in which the credit is determined.

h) Pass-through of Credits to Partners and Subchapter S Corporation Shareholders

1) For tax years beginning on and after January 1, 1999, partners and shareholders of subchapter~~Subchapter~~ S corporations *shall be allowed a credit under this Section~~subsection (h)~~ to be determined in accordance with the determination of income and distributive share of income under IRC sections~~Sections~~ 702 and 704 and subchapter~~Subchapter~~ S of the Internal Revenue Code*. (IITA Section 201(k))~~.~~ No inference shall be drawn from the enactment of PA 91-644, which expressly allows this pass-through of credits, in construing IITA Section 201(k) for tax years beginning prior to January 1, 1999.

2) Repeal and re-enactment of the credit. Due to the repeal of the credit for taxable years ending on or after December 31, 2003, and the re-enactment of the credit for taxable years ending on or after December 31, 2004:

A) A partner or shareholder may not claim a credit passed through from a partnership or subchapter~~Subchapter~~ S corporation for any taxable year of the partner or shareholder ending on or after December 31, 2003 and prior to December 31, 2004, even if the credit was earned in a taxable year of the partnership or subchapter~~Subchapter~~ S corporation ending prior to December 31, 2003.

B) No credit may be earned by a partnership or subchapter~~Subchapter~~ S corporation for a taxable year ending on or after December 31, 2003 and prior to December 31, 2004, and passed through to a partner or shareholder, even if the partner or shareholder would have reported the credit for a taxable year ending on or after December 31, 2004.

(Source: Amended at 44 Ill. Reg. 2845, effective January 30, 2020)

Section 100.2165 Education Expense Credit (IITA 201(m))

a) *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 IITA Section 201(a) and (b)~~subsections (a) and (b) of Section 201 of the Act~~ for qualified education expenses incurred on behalf of the qualifying pupils* (the "education expense credit"). *The education expense credit shall be equal to 25% of qualified education expenses, but the maximum~~total~~ education expense credit allowed to a family that is the custodian of qualifying pupils shall not exceed $500 in any tax year* ending prior to December 31, 2017, or $750 for any tax year ending on or after December 31, 2017*, regardless of the number of qualifying pupils. The education expense credit taken shall not reduce a taxpayer's liability under the Act to less than zero. Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2017, if the taxpayer's adjusted gross income for the taxable year exceeds $500,000, in the case of spouses filing a joint federal tax return or $250,000, in the case of all other taxpayers*, the credit allowed under this Section shall be zero. (IITA Section 201(m)) For purposes of this provision, each spouse is a separate taxpayer. No~~Therefore, no~~ part of the education expense credit is refundable to the custodian in the event the custodian's tax liability is reduced to zero.

b) For a taxpayer to claim the education expense credit, the taxpayer must be the custodian of one or more qualifying pupils and have incurred qualified education expenses on behalf of the qualifying pupils.

1) Qualifying Pupils

A) *"Qualifying pupils" shall mean individuals* who~~that~~ are:

i~~A~~) *residents of the State of Illinois*;~~,~~

ii~~B~~) *under the age of 21 at the close of the school year for which a credit is sought*;~~,~~ *and*

iii~~C~~) *full time pupils enrolled in a kindergarten through twelfth grade education program at any school during the school year for which a credit is sought*. (IITA Section 201(m))~~.~~

B) An individual under the age of 21 and graduating from the twelfth grade during a school year shall be considered a qualifying pupil for the year but only to the extent of qualified education expenses

incurred by the custodian due to the qualifying pupil's enrollment in the twelfth grade.

2) *"Custodian" of qualifying pupils shall mean an Illinois resident(s) who is a parent, the parents, a legal guardian, or the legal guardians of the qualifying pupils*. (IITA Section 201(m))~~.~~

A) A foster parent, or the foster parents, or an adoptive parent, or the adoptive parents shall be included within the meaning of parent or legal guardian for purposes of determining the custodian of qualifying pupils.

B) Custodian shall not include a parent or the parents of qualifying pupils whose parental rights over the~~such~~ qualifying pupils have been legally terminated.

C) A~~The custodian must actually incur qualified education expenses in order to claim the education expense credit. Therefore, a~~ custodian incurring qualified education expenses on behalf of qualifying pupils may~~shall~~ claim the education expense credit only to the extent of qualified education expenses actually paid for by that custodian.

D) The education expense credit claimed shall not exceed the applicable $500 or $750 credit limit allowable to a family that is the custodian of qualifying pupils. Therefore, the divorced or unmarried parents of qualifying pupils, each of whom is the custodian of the qualifying pupils and each of whom incurs education expenses on behalf of such pupils, shall be considered the family of such qualifying pupils for purposes of the applicable $500 or $750 credit limit.

3) *"School", for purposes of the education expense credit, 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* [105 ILCS 5/26-1], *except that nothing shall be construed to require a child to attend any particular public or nonpublic school in order to qualify for the education expense credit* (IITA Section 201(m)). Schools that are not

required to be in compliance with the Title VI of the Civil Rights Act of 1964 but attendance at which meets the compulsory education requirements of Section 26-1 of the School Code are included within the meaning of "school" for purposes of the education expense credit. Private schools providing educational instruction in the home, attendance at which meets the compulsory education requirements of Section 26-1 of the School Code, are included within the meaning of "school" for purposes of the education expense credit. For school years prior to the 2014-2015 school year, Section 26-1 of the School Code required attendance beginning with 7-year-olds, who were required to attend first grade or higher. A school that provided kindergarten, but not first grade or higher, did not qualify as a school for which the credit is allowed under this Section. PA 98-544 amended Section 26-1 of the School Code to require attendance in kindergarten or higher for 6-year-olds, starting with the 2014-2015 school year. Accordingly, beginning with the 2014-2015 school year, a school providing kindergarten may qualify, even if it does not provide first grade or higher.

4) Qualified Education Expenses

A) "*Qualified education expenses" shall mean amounts incurred on behalf of a qualifying pupil in excess of $250 for tuition, book fees, and lab fees at the school in which the qualifying pupil is enrolled during the regular school year*. (IITA Section 201(m)). Amounts incurred for tuition, book fees and lab fees by a family that is the custodian of more than one qualifying pupil may aggregate all tuition, book fees and lab fees incurred by the family in arriving at qualified education expenses eligible for the credit.

iA) Tuition is the amount paid to a school as a condition of enrollment for a quarter, semester or year term in a kindergarten through twelfth grade education program of the school. Enrollment in an education program shall mean admission to the full and regular schedule of classroom instruction of the school during the designated period. Tuition also includes amounts paid as a condition of enrollment on behalf of a school to cover costs of implementing and administering an education program.

iiB) Book fees are amounts paid for the use of books that are essential to a qualifying pupil's participation in the education program of the school. A book is essential when the school or an instructor of the school requires its use by the qualifying pupil in order to participate in and complete a course of the education program.

iiiC) Lab fees are amounts paid for the use of supplies, equipment, materials or instruments that are essential to a qualifying pupil's participation in a lab course of the school's education program. Supplies, equipment, materials or instruments are essential when the school or an instructor of the school requires their use by the qualifying pupil in order to participate in and complete a lab course of the education program. Lab courses include those courses that, in addition to classroom instruction by a teacher, provide an environment of organized activity involving observation, experimentation or practice in a course of study. LabSuch courses of study include those courses with a scientific, musical, artistic, technical or language skill content. Lab fees may be in the nature of a rental fee for supplies, equipment, materials or instruments that are used in the lab course. Fees incurred for the purchase of supplies, equipment, materials or instruments used in a lab course and which are substantially consumed by the assignments and activities of the lab are also considered qualifying lab fees.

B) Any amount paid for the purchase of items that would be considered qualified education expenses but for the fact that the items are not substantially consumed during the school year and will remain the tangible personal property of a qualifying pupil or a custodian at the conclusion of the school year shall not be considered qualified education expenses. For purposes of this Section, an item is substantially consumed when, during the school year, the item is used to thesuch an extent that its fair market value has been reduced to a de minimis amount.

c) Examples. Calculation of the education expense credit may be illustrated by the

following examples. For each example, it is assumed that the taxpayer's adjusted gross income for the taxable year is not greater than $500,000 (in the case of each spouse filing a joint federal income tax return) or $250,000 (in the case of all other taxpayers).:

1)EXAMPLEExample 1. Family A is the custodian of 2two qualifying pupils. Family A incurs a total of $6,000 in tuition, book fees and lab fees for the education of both pupils during the calendar year. The first $250 incurred for tuition, book fees and lab fees is not included as a qualified education expense. The balance of $5,750 ($6,000 - $250) multiplied by 25% equals $1,437.50. Family A may only claim the maximum tax credit allowable of $500 (for taxable years ending prior to December 31, 2017) or $750 (for taxable years ending on or after December 31, 2017).

2)EXAMPLEExample 2. Family B is the custodian of one qualifying pupil. Family B incurs a total of $2,250 in tuition, book fees and lab fees for the education of the qualifying pupil during the calendar year. Family B also incurs $200 for the purchase of a musical instrument used by the qualifying pupil while participating in the school band. The $200 incurred for the purchase of a musical instrument is an expense that does not qualify for the credit. The first $250 incurred for tuition, book fees and lab fees is not included as a qualified education expense. The balance of $2,000 ($2,250-$250) multiplied by 25% equals $500. Family B may claim a credit for the entire maximum tax credit allowable of $500.

3)EXAMPLEExample 3. Family C is the custodian of 4four qualifying pupils. Family C incurs a total of $1,000 in book fees and lab fees for the education of all 4four qualifying pupils during the calendar year. Family C also incurs a total of $50 for the purchase of books used in completing book reports required by the school. The $50 incurred for the purchase of books is an expense that does not qualify for the credit. The first $250 incurred for book fees and lab fees is not included as a qualified education expense. The balance of $750 ($1,000 - $250) multiplied by 25% equals $187.50. Family C may claim a tax credit of $187.50.

d) To aid a custodian in claiming the education expense credit, a school should provide to the custodian a written receipt documenting education expenses paid to the school by the custodian on behalf of qualifying pupils during the calendar year. The written receipt should be provided to the custodian on or before January 31 of the succeeding calendar year. WhenWhere a school provides a written receipt to a custodian, it should use the formshall be a receipt prescribed

by the Department and~~which shall~~ include the following information:

1) the designated calendar year during which the education expenses were paid;~~,~~

2) the name and address of the school;~~,~~

3) the name and address of the custodian;~~,~~

4) the name~~name(s)~~ and social security number~~number(s)~~ of the qualifying pupil or pupils;~~,~~

5) a list of education expense amounts paid for tuition, book fees and lab fees during the calendar year;~~,~~ and

6) the total of all such education expenses paid during the calendar year. All information contained on the written receipt provided by a school is deemed confidential information for use as supporting documentation of the education expense credit claimed and shall not be used for any other purpose.

~~e) A custodian shall use a school's written receipt of education expenses as documentation supporting the education expense credit claimed on the custodian's individual income tax return. A copy of the written receipt shall be filed with the return for the taxable year to which it relates. In the event a school's written receipt of education expenses is not made available to a custodian, the custodian shall complete and file with the custodian's return the schedule prescribed by the Department for taking the credit. The education expense credit shall not be taken without either a school's written receipt or a schedule being filed with the return.~~

e~~f~~) A custodian filing a return claiming the education expense credit shall maintain records of proof as to the education expenses paid for by the custodian. The custodian shall maintain the records for a period of not less than 3~~three~~ years after the date the return on which the custodian claimed the education expense credit was filed. Records~~Such records~~ maintained by the custodian shall be subject to inspection by the Department and its duly authorized agents and employees.

f~~g~~) The education expense credit for qualified education expenses incurred must be claimed for the tax year in which the qualified education expenses are actually

paid. Any part of the education expense credit not claimed or allowed in a given tax year shall not be carried forward or back to any other tax year. Likewise, where qualified education expenses are incurred in excess of the allowable education expense credit for any given tax year, the excess of qualified education expenses shall not be used in claiming the education expense credit for any other tax year.

g~~h~~) This Section is exempt from automatic sunset under IITA Section 250.

(Source: Amended at 44 Ill. Reg. 2845, effective January 30, 2020)

Section 100.2171 Angel Investment Credit (IITA 220)

a) For taxable years beginning on and after January 1, 2011, and ending on or before December 31, 2021~~before January 1, 2017~~, a claimant (as defined under 14 Ill. Adm. Code 531.20) may claim a credit against the tax imposed under IITA Sections 201(a) and (b) in an amount equal to 25% of the Angel Investment (as defined under 14 Ill. Adm. Code 531.20) made by the claimant and that is shown on the Tax Credit Certificate issued by the Department of Commerce and Economic Opportunity (DCEO) under 14 Ill. Adm. Code 531.70. *A claimant may not sell or otherwise transfer a credit awarded under this Section to another person.* (IITA Section 220(g))

b) Year in Which Credit is Taken. The credit allowed under this Section shall be taken in the taxable year that includes the date of the Tax Credit Certificate issued by DCEO under 14 Ill. Adm. Code 531.70.

c) In the case of a credit earned by a partnership or subchapter S corporation, the credit passes through to the owners as provided in the partnership agreement under IRC section 704(a) or in proportion to their ownership of the stock of the subchapter S corporation under IRC section 1366(a). The credit earned by a partnership or subchapter S corporation will be treated as earned by its owners as of the last day of the taxable year of the partnership or subchapter S corporation in which the Tax Credit Certificate is issued by DCEO under 14 Ill. Adm. Code 531.70, and shall be allowed to each owner in the taxable year of the owner in which the taxable year of the partnership or subchapter S corporation ends.

d) *The credit under this Section may not exceed the taxpayer's Illinois income tax liability under IITA Section 201(a) and (b) for the taxable year. 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 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. (IITA Section 220(b))

e) Recapture. *If,* as determined by DCEO, *an investment for which a claimant is allowed a credit under this Section is held by the claimant for less than 3 years, or, if within that period of time the qualified new business venture is moved from the State, the claimant shall pay to the Department of Revenue,* on forms prescribed by the Department of Revenue, *the amount of the credit that the claimant received related to the investment. DCEO shall annually certify that the claimant's investment has been made and remains in the qualified new business venture for no less than 3 years.* (IITA Section 220(d))

f) Documentation of the Credit. A claimant shall attach to its Illinois income tax return a copy of the Tax Credit Certificate and/or annual certification (if any) issued by DCEO and, in the case of a partner in a partnership or shareholder of a subchapter S corporation that earned the credit, a Schedule K-1-P or other written statement from the partnership or subchapter S corporation stating the portion of the total credit shown on the Tax Credit Certificate that is allowed to that partner or shareholder and the taxable year of the partnership or subchapter S corporation in which the Tax Credit Certificate was issued.

(Source: Amended at 44 Ill. Reg. 2845, effective January 30, 2020)

Section 100.2180 Credit for Residential Real Property Taxes (IITA 208)

a) *Beginning with tax years ending on or after December 31, 1991, every individual taxpayer shall be entitled to a tax credit equal to 5% of real property taxes paid by the~~such~~ taxpayer during the taxable year on the principal residence of the taxpayer. 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 that~~which~~ is attributable to the~~such~~ principal residence.*

1) *Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2017, no taxpayer is allowed a credit under this Section if the taxpayer's adjusted gross income for the taxable year exceeds:*

A) *$500,000, in the case of spouses filing a joint federal tax return; or*

B) *$250,000, in the case of all other taxpayers.* (IITA Section 208)~~.~~

2) For purposes of this provision, each spouse is a separate taxpayer.

b) A taxpayer will qualify for the property tax credit if:

1) the taxpayer's principal residence during the year preceding the tax year at issue was in Illinois;~~,~~ and

2) the taxpayer owned the residence;~~,~~ and

3) the property tax billed in the tax year at issue has been paid. This is the amount paid after factoring in any applicable exemptions.

c) Basis of the Credit

1) The credit may be based on the entire property tax bill if:

A~~1~~) the taxpayer lived in the same residence during all of the year preceding the tax year at issue;~~,~~ and

B~~2~~) the tax bill included property used only for the taxpayer's personal residence, yard, garage, or other structure used for personal purposes. If the property tax bill included not only taxpayer's personal residence, but also business, rental, or farm property, that credit may be calculated only on that portion of the property tax bill that is for the personal residence.

2) The credit may not be taken for a vacation home.

3) Credit may not be taken for mobile home privilege tax.

d) If taxpayer sold a principal residence in the year preceding the tax year at issue, he or she may not take a credit for the tax year at issue. In this~~such a~~ situation, taxpayer will not have paid property taxes during the taxable year on that ~~his~~ principal residence. Property taxes in Illinois are assessed on a property in one

year and paid in the next year. In other words, in 1994 taxpayers pay 1993 taxes. In order to qualify for the credit granted by IITA Section 208 during 1994, a taxpayer must have ownership of an Illinois principal residence during 1993. An amount representing property taxes for the period of ownership of the taxpayer in the year preceding the tax year at issue will have been paid to the buyer of the taxpayer's former residence. Therefore, taxpayer will be authorized to take an additional amount of credit for property taxes paid to buyer upon sale of the residence in the year preceding the tax year at issue, but will have no credit in the subsequent year.

EXAMPLE: Taxpayer A sells his or her principal residence to B on July 1, 1991. Taxpayer A owned and resided in the principal residence for all of 1990, and for the first 6 months of~~on~~ 1991. Taxpayer A is entitled to a credit for residential real property taxes on his or her 1991 return in an amount equal to the amount of 1990 taxes paid in 1991. In addition, Taxpayer A is entitled to a credit for 6 months of the 1991 taxes that~~which~~ were paid over to B upon sale of the principal residence on July 1, 1991. Taxpayer A is not entitled to a credit for property taxes paid on this property on his or her 1992 return because no taxes were paid on this residence in 1992. However, if Taxpayer A bought another residence in 1991, Taxpayer A may calculate a credit for that portion of 1991 during which he or she owned and lived at the new property.

(Source: Amended at 44 Ill. Reg. 2845, effective January 30, 2020)

Section 100.2181 Credit for Instructional Materials and Supplies. (IITA Section 225)

a) *For taxable years beginning on and after January 1, 2017, a taxpayer shall be allowed a credit in the amount paid by the taxpayer during the taxable year for instructional materials and supplies with respect to classroom based instruction in a qualified school, or $250, whichever is less, provided that the taxpayer is a teacher, instructor, counselor, principal or aide in a qualified school for at least 900 hours during a school year. The credit may not be carried back and 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 may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit carried forward is applied to the earliest year for which there is a tax liability. If credits for more than one year are available to offset a liability, the earlier credit shall be applied first.* (IITA Section 225)

b) For purposes of this Section:

1) *The term "qualified school" means a public school or non-public school located in Illinois.* (IITA Section 225) IITA Section 102 provides that, *except as otherwise expressly provided or clearly appearing from the context, any term used in the Act has the same meaning as when used in a comparable context in the IRC or any successor law or laws relating to federal income taxes and other provisions of federal statutes relating to federal income taxes, as that Code, laws and statutes are in effect for the taxable year.* Accordingly, "school" means a school that provides elementary education or secondary education (kindergarten through grade 12), as provided in the federal income tax deduction allowed to teachers for classroom supplies under IRC section 62(a)(2)(D) and (d)(1).

2) *The term "materials and supplies" means amounts paid for instructional materials or supplies that are designated for classroom use in any qualified school.* (IITA Section 225) Expenses qualifying for the federal income tax deduction for classroom books, supplies, equipment and other materials under IRC section 62(a)(2)(D) also qualify for this credit, except that the express provision in IRC section 62(a)(2)(D)(ii) that nonathletic supplies for courses of instruction in health or physical education do not qualify, does not apply for purposes of this credit.

3) A "school year" includes any summer school conducted in the summer immediately following the end of the spring term of the school year.

c) *This Section is exempt from automatic sunset under IITA Section 250.* (IITA Section 225)

(Source: Added at 44 Ill. Reg. 2845, effective January 30, 2020)

Section 100.2185 Film Production Services Credit (IITA Section 213)

a) For taxable years beginning on or after January 1, 2004, and prior to January 1, 2027, a person awarded a credit under the Film Production Services Tax Credit Act of 2008 [35 ILCS 16~~15~~] *is entitled to a credit against the taxes imposed under IITA Section 201(a) and (b) in an amount determined by the Department of Commerce and Economic Opportunity.* (IITA Section 213)~~.~~ The amount of the credit shall be the amount shown on the Tax Credit Certificate issued by the

Department of Commerce and Economic Opportunity under 14 Ill. Adm. Code 528.70 or the Certificate of Transfer issued by the Department of Commerce and Economic Opportunity under 14 Ill. Adm. Code 528.85.~~ Under Section 42 of the Film Production Services Tax Act, as amended by PA 97-3, the credit may not be claimed in taxable years beginning on or after May 6, 2021, the 10th anniversary of the effective date of PA 97-3.~~

b) Year in which Credit is Taken. The credit allowed under this Section shall be taken in the taxable year that includes the date of the Tax Credit Certificate issued by the Department of Commerce and Economic Opportunity under 14 Ill. Adm. Code 528.70.

c) In the case of a credit earned by a partnership or subchapter~~Subchapter~~ S corporation, the credit passes through to the owners as provided in the partnership agreement under IRC section 704(a) or in proportion to their ownership of the stock of the subchapter~~Subchapter~~ S corporation under IRC section 1366(a). The credit earned by a partnership or subchapter~~Subchapter~~ S corporation will be treated as earned by its owners as of the last day of the taxable year of the partnership or subchapter~~Subchapter~~ S corporation in which the Tax Credit Certificate is issued by the Department of Commerce and Economic Opportunity under 14 Ill. Adm. Code 528.70 and shall be allowed to each owner in the taxable year of the owner in which the taxable year of the partnership or subchapter~~Subchapter~~ S corporation ends.

d) For tax years ending prior to July 11, 2005 (the effective date of PA 94-171), *the credit may not be carried* forward or *back*. For tax years ending on or after July 11, 2005, *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 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. In no event shall a credit under this Section reduce the taxpayer's liability to less than zero.* (IITA Section 213)

e) Transfer of Credit. *A transfer of this credit may be made by the person earning the credit within one year after the credit is awarded in accordance with rules adopted by the Department of Commerce and Economic Opportunity*. (IITA Section 213~~, as amended by PA 94-171~~)

1) Transfers shall be made pursuant to 14 Ill. Adm. Code 528.85.

2) A credit may be transferred to a partnership or subchapter~~Subchapter~~ S corporation, in which case the partners or shareholders of the transferee shall be entitled to the transferred credit in the amounts determined under subsection (c).

3) A credit may be transferred after the end of the taxable year of the transferee in which the credit is to be taken under subsection (b). If the transferee has already filed its return for that taxable year, it will need to file a corrected or amended return, for that taxable year, claiming the credit.

f) Documentation of the Credit. A person claiming the credit allowed under this Section shall attach to its Illinois income tax return a copy of the Tax Credit Certificate or the Certificate of Transfer issued by the Department of Commerce and Economic Opportunity and, in the case of a partner in a partnership or a shareholder of a subchapter~~Subchapter~~ S corporation that earned the credit, a Schedule K-1-P or other written statement from the partnership or subchapter~~Subchapter~~ S corporation stating the portion of the total credit shown on the Tax Credit Certificate or Certificate of Transfer that is allowed to that partner or shareholder and the taxable year of the partnership or subchapter~~Subchapter~~ S corporation in which the Tax Credit Certificate was issued.

(Source: Amended at 44 Ill. Reg. 2845, effective January 30, 2020)

Section 100.2199 Illinois Earned Income Tax Credit (IITA Section 212)

a) *With respect to the federal earned income tax credit allowed for the taxable year under IRC section 32, each individual taxpayer shall be allowed a credit against the tax imposed by IITA Section 201(a) and (b).~~For taxable years beginning on or after January 1, 2000 and ending on or before December 31, 2002, an individual shall be allowed a credit against the tax imposed by IITA Section 201(a) and (b) for the taxable year equal to 5% of the federal earned income tax credit allowed for such taxable year pursuant to IRC Section 32.~~* (IITA Section 212(a)) The amount of the credit allowed shall be equal to:

1) *5% of the federal tax* credit *for each taxable year beginning on or after January 1, 2000 and ending prior to December 31, 2012;*

2) *7.5% of the federal tax credit for each taxable year beginning on or after January 1, 2012 and ending prior to December 31, 2013;*

3) *10% of the federal tax credit for each taxable year beginning on or after January 1, 2013 and beginning prior to January 1, 2017;*

4) *14% of the federal tax credit for each taxable year beginning on or after January 1, 2017 and beginning prior to January 1, 2018; and*

5) *18% of the federal tax credit for each taxable year beginning on or after January 1, 2018.* (IITA Section 212(a))

b) Credit in Excess~~excess~~ of Liability~~liability.~~

1) For tax years beginning before January 1, 2003, the credit allowed for the taxable year may not reduce the taxpayer's liability under the IITA to less than zero. *Therefore, no part of the credit is refundable in the event the tax liability of the taxpayer is reduced to zero.* (IITA Section 212(b))

2) For tax years beginning on or after January 1, 2003 and ending prior to August 21, 2007 (the effective date of PA~~Public Act~~ 95-333), *if the amount of the credit exceeds the income tax liability for the applicable tax year, then the excess credit shall be refunded to the taxpayer only if the refund is counted towards the State's ability to meet its required Maintenance of Effort to qualify for reimbursement under the federal Temporary Assistance for Needy Families Block Grant.* (IITA Section 212(b) and (b-5))

3) For tax years ending on or after August 21, 2007, *if the amount of the credit exceeds the income tax liability for the applicable tax year, then the excess credit shall be refunded to the taxpayer.* (IITA Section 212(b))

4) Excess credit may not be carried over to other tax years.

c) In the case of a nonresident or part-year resident, the Illinois earned income tax credit shall be equal to the applicable fraction under subsection (a)~~5%~~ of that

portion of the federal earned income tax credit allowed pursuant to IRC section 32 ~~of the IRC~~ that bears the same ratio as the taxpayer's base income allocable to Illinois bears to the taxpayer's base income everywhere. (See IITA Section 212(a).)

(Source: Amended at 44 Ill. Reg. 2845, effective January 30, 2020)

SUBPART E: ADDITIONS TO AND SUBTRACTIONS FROM TAXABLE INCOME OF INDIVIDUALS, CORPORATIONS, TRUSTS AND ESTATES AND PARTNERSHIPS

Section 100.2470 Subtraction of Amounts Exempt from Taxation by Virtue of Illinois Law, the Illinois or U.S. Constitutions, or by Reason of U.S. Treaties or Statutes (IITA Sections 203(a)(2)(N), 203(b)(2)(J), 203(c)(2)(K) and 203(d)(2)(G))

a) In calculating base income, taxpayers are entitled to subtract *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* (IITA 203(a)(2)(N)). There are also provisions of Illinois law that exempt the income of certain obligations of state and local governments from Illinois income taxation (see subsection (f)).

b) Interest on obligations of the United States. A federal statute exempts stocks and obligations of the United States Government, as well as the interest on the obligations, from state income taxation (see 31 USC 3124(a)).

1) "Obligations of the United States" are those obligations issued "to secure credit to carry on the necessary functions of government." Smith v. Davis (1944) 323 U.S. 111, 119, 89 L. Ed. 107, 113, 65 S. Ct. 157, 161. The exemption is aimed at protecting the "Borrowing" and "Supremacy" clauses of the Constitution. Society for Savings v. Bowers (1955) 349 U.S. 143, 144, 99 L. Ed. 2d 950, 955, 75 S. Ct. 607, 608. Hibernia v. City and County of San Francisco (1906) 200 U.S. 310, 313, 50 L. Ed. 495, 496, 26 S. Ct. 265, 266.

A) Tax-exempt credit instruments possess the following characteristics:

i) they are written documents;

ii) they bear interest;

iii) they are binding promises by the United States to pay specified sums at specified dates;

iv) they have congressional authorization which also pledges the faith and credit of the United States in support of the promise to pay. Smith v. Davis, supra.

B) A governmental obligation that is secondary, indirect, or contingent, such as a guaranty of a nongovernmental obligor's primary obligation to pay the principal amount of and interest on a note, is not an obligation of the type exempted under 31 USC Section 3124(a). Rockford Life Ins. Co. v. Department of Revenue, 107 S. Ct. 2312 (1987).

2) Based on the above, the following types of income are exempt under 31 USC Section 3124(a):

A) Interest on U.S. Treasury bonds, notes, bills, certificates, and savings bonds.

B) Income from GSA Public Building Trust Participation Certificates: First Series, Series A through E; Second Series, Series F; Third Series, Series G; Fourth Series H and I.

c) Income exempted by reason of other federal statutes. Federal statutes provide exemption from state income taxation with respect to various specifically named types of income. Following is a list (intended to be exhaustive) of exempt income and the specific statutes to which each item relates:

1) Banks for Cooperatives − Income from notes, debentures, and other obligations issued by Banks for Cooperatives (12 USC 2134).

2) Commodity Credit Corporation − Interest derived from bonds, notes, debentures, and other similar obligations issued by Commodity Credit Corporation (15 USC 713a-5).

3) Farm Credit System Financial Assistance Corporation (Financial Assistance Corporation) − Income from notes, bonds, debentures, and other obligations issued by the Financial Assistance Corporation (12 USC 2278b-10(b)).

4) Federal Deposit Insurance Corporation − Interest derived from notes, debentures, bonds, or other such obligations issued by Federal Deposit Insurance Corporation (12 USC 1825).

5) Federal Farm Credit Banks − Income from consolidated system-wide notes, bonds, debentures, and other obligations issued jointly and severally under 12 USC 2153 by Banks of the Federal Farm Credit System (12 USC 2023; 12 USC 207; 12 USC 2098; and 12 USC 2134).

6) Federal Home Loan Banks − Interest derived from notes, debentures, bonds, and other such obligations issued by Federal Home Loan Banks and from consolidated Federal Home Loan bonds and debentures (12 USC 1433).

7) Federal Intermediate Credit Banks − Income from notes, debentures, bonds, and other obligations issued by Federal Intermediate Credit Banks (12 USC 2079).

8) Federal Land Banks and Federal Land Bank Association − Income from notes, debentures, bonds, and other obligations issued by Federal Land Banks and Federal Land Bank Associations (12 USC 2055).

9) Federal Savings and Loan Insurance Corporation − Interest derived from notes, bonds, debentures, and other such obligations issued by Federal Savings and Loan Insurance Corporation (12 USC 1725(e)).

10) Financing Corporation (FICO) − Income from obligations issued by the Financing Corporation (12 USC 1441(e)(8)).

11) General Insurance Fund

A) Interest derived from debentures issued by General Insurance Fund under the War Housing Insurance Law (12 USC 1739(d)); or

B) Interest derived from debentures issued by General Insurance Fund to acquire rental housing projects (12 USC 1747g(g)); or

C) Interest derived from Armed Services Housing Mortgage Insurance Debentures issued by the General Insurance Fund (12 USC Section 1748b(f)).

12) Guam − Interest derived from bonds issued by the government of Guam (48 USC 1423a). This income is not presently included in federal taxable income. Under Illinois law, it must be added back to federal taxable income and then claimed as a subtraction on an Illinois income tax return.

13) Mutual Mortgage Insurance Fund − Income from such debentures as are issued in exchange for property covered by mortgages insured after February 3, 1988 (12 USC 1710(d)). This income is not presently included in federal taxable income. Under Illinois law, it must be added back to federal taxable income and then claimed as a subtraction on an Illinois income tax return.

14) National Credit Union Administration Central Liquidity Facility − Income from the notes, bonds, debentures, and other obligations issued on behalf of the Central Liquidity Facility (12 USC 1795K(b)).

15) Production Credit Association − Income from notes, debentures, and other obligations issued by Production Credit Association (12 USC 2098).

16) Puerto Rico − Interest derived from bonds issued by the Government of Puerto Rico (48 USC 745). This income is not presently included in federal taxable income. Under Illinois law, it must be added back to federal taxable income and then claimed as a subtraction on an Illinois income tax return.

17) Railroad Retirement Act − Annuity and supplemental annuity payments as qualified under the Railroad Retirement Act of 1974 (45 USC 231m). Please be sure to use the line specified on your Illinois return for this item.

18) Railroad Unemployment Insurance Act − Unemployment benefits paid pursuant to the Railroad Unemployment Insurance Act (45 USC 352(e)).

19) Resolution Funding Corporation − Interest from obligations issued by the Resolution Funding Corporation (12 USC 1441b(f)(7)(A)).

20) Special Food Service Program − Assistance to children under the Special Food Service Program (42 USC 1760(e)).

21) Student Loan Marketing Association − Interest derived from obligations issued by the Student Loan Marketing Association (20 USC 1087-2(h)(221)).

22) Tennessee Valley Authority − Interest derived from bonds issued by the Tennessee Valley Authority (16 USC 831n-4(d).

23) United States Postal Service − Interest derived from obligations issued by the United States Postal Service (39 USC 2005(d)(4)).

24) Virgin Islands − Interest derived from bonds issued by the Government of the Virgin Islands (48 USC 1574(b)(ii)(A)). This income is not presently included in income taxable federally. Under Illinois law, it must be added back to federal taxable income and then claimed as a subtraction on an Illinois income tax return.

25) American Samoa − Interest on bonds issued by the Government of American Samoa (48 USC 1670(b)).

26) Northern Mariana Islands − Interest on bonds issued by the Government of the Northern Mariana Islands (48 USC 1801 note).

d) Distributions from money market trusts (mutual funds). Taxpayers may subtract income received from any of the obligations listed in subsections (b) and (c), even if the obligations are owned indirectly through owning shares in a mutual fund.

1) If the fund invests exclusively in these state tax exempt obligations, the entire amount of the distribution (income) from the fund may be subtracted.

2) If the fund invests in both exempt and non-exempt obligations, the amount represented by the percentage of the distribution that the mutual fund identifies as exempt may be subtracted.

3) If the mutual fund does not identify an exempt amount or percentage, taxpayers may figure the subtraction by multiplying the distribution by the following fraction: as the numerator, the amount invested by the fund in state-exempt U.S. obligations; as the denominator, the fund's total investment. Use the year-end amounts to figure the fraction if the percentage ratio has remained constant throughout the year. If the percentage ratio has not remained constant, take the average of the ratios from the fund's quarterly financial reports.

e) Getting a refund of tax you already paid. If you paid Illinois income tax on these state tax exempt distributions, you may file an amended return ~~(IL-1040-X)~~ to claim a refund for any year still within the statute of limitations.

f) Interest on obligations of state and local governments. Income from state and local obligations is not exempt from Illinois income tax except where authorizing legislation adopted after August 1, 1969, specifically provides for an exemption. To date, authorizing legislation provides exemption for the income from the securities listed below. Taxpayers must show income from these exempt bonds as an addition and then as a subtraction on the Illinois income tax return. Income from these bonds is not exempt if the bonds are owned indirectly through owning shares in a mutual fund.

1) Notes and bonds issued by the Illinois Housing Development Authority (except housing-related commercial facilities notes and bonds) [20 ILCS 3805/31].

2) Bonds authorized pursuant to the Export Development Act of 1983 (former Ill. Rev. Stat. 1991, ch. 127, par. 2513, repealed by P.A. 87-860, effective July 1, 1992).

3) Bonds issued by the Illinois Development Finance Authority pursuant to Sections 7.50 through 7.61 (venture fund and infrastructure bonds) [20 ILCS 3505/7.61], (repealed by P.A. 93-205, effective January 1, 2004,

which provides in 20 ILCS 3501/845-60 that bonds issued under this provision continue to be exempt from taxation).

4) Bonds and notes issued by the Quad Cities Regional Economic Development Authority, if the Authority so determines [70 ILCS 510/11 and13 and 70 ILCS 515/11 and 12].

5) College Savings Bonds issued under the General Obligation Bond Act in accordance with the Baccalaureate Savings Act [110 ILCS 920/7].

6) Bonds issued by the Illinois Sports Facilities Authority [70 ILCS 3205/15].

7) Bonds issued on or after September 2, 1988, pursuant to the Higher Education Student Assistance Act [110 ILCS 947/145] (transferred from 105 ILCS 5/30-15.18 by P.A. 87-997).

8) Bonds issued by the Illinois Development Finance Authority or the Illinois Finance Authority under the Asbestos Abatement Finance Act [20 ILCS 3510/8].

9) Bonds and notes issued under the Rural Bond Bank Act [30 ILCS 360/3-12] (repealed by P.A. 93-205, effective January 1, 2004, which provides in 20 ILCS 3501/845-60 that bonds issued under this provision continue to be exempt from taxation).

10) Bonds issued pursuant to Sections 7.80 through 7.87 of the Illinois Development Finance Authority Act [20 ILCS 3505/7-86] (repealed by P.A. 93-205, effective January 1, 2004, which provides in 20 ILCS 3501/845-60 that bonds issued under this provision continue to be exempt from taxation).

11) Bonds issued by the Quad Cities Interstate Metropolitan Authority under the Quad Cities Interstate Metropolitan Authority Act [45 ILCS 35/110].

12) Bonds issued by the Southwestern Illinois Development Authority pursuant to the Southwestern Illinois Development Authority Act [70 ILCS 520/7.5].

13) Bonds issued by the Illinois Finance Authority under the Local Government Article and the Financially Distressed City Program in the Illinois Finance Authority Act [20 ILCS 3501/820-60 and 825-55].

14) Illinois Power Agency bonds issued by the Illinois Finance Authority under the Other Powers Article of the Illinois Finance Authority Act [20 ILCS 3501/825-90], if the Authority so determines.

15) Bonds issued by the Central Illinois Economic Development Authority under the Central Illinois Economic Development Authority Act [70 ILCS 504/40~~506/40~~], if the Authority so determines.

16) Bonds issued by the Eastern Illinois Economic Development Authority under the Eastern Illinois Economic Development Authority Act [70 ILCS 506/40], if the Authority so determines.

17) Bonds issued by the Southeastern Illinois Economic Development Authority under the Southeastern Illinois Economic Development Authority Act [70 ILCS 518/40], if the Authority so determines.

18) Bonds issued by the Southern Illinois Economic Development Authority under the Southern Illinois Economic Development Authority Act [70 ILCS 519/5-45], if the Authority so determines.

19) Bonds issued by the Upper Illinois River Valley Development Authority under the Upper Illinois River Valley Development Authority Act [70 ILCS 530/7.1], if the Authority so determines.

20) Bonds issued by the Illinois Urban Development Authority under the Illinois Urban Development Authority Act [70 ILCS 531/11], if the Authority so determines.

21) Bonds issued by the Western Illinois Economic Development Authority under the Western Illinois Economic Development Authority Act [70 ILCS 532/45], if the Authority so determines.

22) Bonds issued by the Downstate Illinois Sports Facilities Authority under the Downstate Illinois Sports Facilities Authority Act [70 ILCS 3210/60], if the Authority so determines.

23) Bonds issued by the Will-Kankakee Regional Development Authority under the Will-Kankakee Regional Development Authority Law [70 ILCS 535/14], if the Authority so determines.

24) Bonds issued by the Tri-County River Valley Development Authority under the Tri-County River Valley Development Authority Law [70 ILCS 525/2007.1], if the Authority so determines.

25) Bonds issued by the New Harmony Bridge Authority under the New Harmony Bridge Authority Act [45 ILCS 185/5-50]. This exemption is subject to sunset under IITA Section 250, and does not apply to taxable years beginning on or after August 19, 2023, the fifth anniversary of the effective date of P.A. 100-981.

26) Bonds issued by the New Harmony Bridge Bi-State Commission under the New Harmony Bridge Interstate Compact Act [45 ILCS 190/10-5]. This exemption is subject to sunset under IITA Section 250, and does not apply to taxable years beginning on or after August 19, 2023, the fifth anniversary of the effective date of P.A. 100-981.

g) Other income exempt from Illinois income taxation by reason of Illinois statute:

1) Income earned by certain trust accounts established under the Illinois Pre-Need Cemetery Sales Act [815 ILCS 390/16] or the Illinois Funeral or Burial Funds Act [225 ILCS 45/4a(c)]. Section 16(f) of the Illinois Pre-Need Cemetery Sales Act and Section 4a(c) of the Illinois Funeral or Burial Funds Act provide that: *because it is not known at the time of deposit or at the time that income is earned on the trust account to whom the principal and the accumulated earnings will be distributed, for purposes of determining the Illinois Income Tax due on these trust funds, the principal and any accrued earnings or losses relating to each individual account shall be held in suspense until the final determination is made as to whom the account shall be paid.*

2) Income in the form of education loan repayments made for health care providers~~primary care physicians~~ who agree to practice in designated shortage areas for a specified period of time under the terms of the Family Practice Residency Act [110 ILCS 935/4.10].

3) Income earned by nuclear decommissioning trusts established pursuant to Section 8-508.1 of the Public Utilities Act [220 ILCS 5/8-508.1]. The terms *"Decommissioning trust" or "trust" means a fiduciary account in a bank or other financial institution established to hold the decommissioning funds provided pursuant to* Section 8-508.1(b)(2) of the Public Utilities Act *for the eventual purpose of paying decommissioning costs, which shall be separate from all other accounts and assets of the public utility establishing the trust.* [220 ILCS 5/8-508.1(a)(3)]

4) Income from the Illinois prepaid tuition program, other than disbursements to beneficiaries which are not used in accordance with the applicable prepaid tuition contract under the Illinois Prepaid Tuition Act [110 ILCS 979]. The Illinois prepaid tuition program was created in 1997 for the express purpose of allowing savings for higher education to earn tax-exempt returns under IRC section 529~~ of the Internal Revenue Code~~. If a prepaid tuition contract qualifies under IRC section 529, earnings on contributions made to the Illinois Prepaid Tuition Trust Fund under the contract are exempt from federal income taxation (and therefore Illinois income taxation) until distributed. The legislative intent in creating the Illinois prepaid tuition program does not guarantee that every prepaid tuition contract will qualify under IRC section 529 and there is no guarantee that IRC section 529 will continue in effect. However, Section 55 of the Illinois Prepaid Tuition Act [110 ILCS 979/55] provides that *assets of the Illinois Prepaid Tuition Trust Fund and its income and operation shall be exempt from all taxation by the State* and that disbursements to a beneficiary *shall be similarly exempt from all taxation by the State of Illinois and any of its subdivisions, so long as they are used for educational purposes in accordance with the provisions of an Illinois prepaid tuition contract.* Under this provision, any undistributed earnings of the Illinois Prepaid Tuition Trust which are included in a taxpayer's federal taxable income or adjusted gross income because a prepaid tuition contract does not qualify under IRC section 529 may be subtracted in computing the taxpayer's base income, and all disbursements included in a beneficiary's adjusted gross income may be subtracted to the extent used in accordance with the Illinois prepaid tuition contract under which the disbursements are made, regardless of whether the prepaid tuition contract qualifies under IRC section 529.

5) Income from the College Savings Pool, other than disbursements to beneficiaries that are not used to pay qualified expenses under the State Treasurer Act [15 ILCS 505/16.5]. Under the State Treasurer Act, distributions from the College Savings Pool must generally be used for *qualified expenses*, which are defined to mean *tuition, fees, and the costs of books, supplies, and equipment required for enrollment or attendance at an eligible educational institution and certain room and board expenses.* Distributions made for qualified expenses must be made *directly to the eligible educational institution, directly to a vendor, or in the form of a check payable to both the beneficiary and the institution or vendor.* The College Savings Pool was created in PA 91-607 for the express purpose of allowing savings for higher education to earn tax-exempt returns under IRC section 529~~ of the Internal Revenue Code~~. If an investment in the College Savings Pool qualifies under IRC section 529, earnings on that investment are exempt from federal income taxation (and therefore Illinois income taxation) until distributed. The legislative intent in creating the College Savings Pool does not guarantee that investments will qualify under IRC section 529 and there is no guarantee that IRC section~~Section~~ 529 will continue in effect. However, the State Treasurer Act [15 ILCS 505/16.5], as amended in PA 91-829, provides that *assets of the College Savings Pool and its income and operation shall be exempt from all taxation by the State* and that disbursements to a beneficiary *shall be similarly exempt from all taxation by the State of Illinois and any of its subdivisions, so long as they are used for qualified expenses.* Under this provision, any undistributed earnings of the College Savings Pool that are included in a taxpayer's federal taxable income or adjusted gross income because a College Savings Pool investment does not qualify under IRC section 529 may be subtracted in computing the taxpayer's base income, and all disbursements included in a beneficiary's adjusted gross income may be subtracted to the extent used to pay qualified expenses, regardless of whether the College Savings Pool investment qualifies under IRC section 529.

6) Income earned on investments made pursuant to the Home Ownership Made Easy Program [310 ILCS 55/5.1].

7) Up to $2,000 of income derived by individuals from investments made in accordance with College Savings Programs established under Section 75 of the Higher Education Student Assistance Act [110 ILCS 947/75]. This

subtraction is allowed only for taxable years ending prior to August 9, 2013, the effective date of PA 98-0251, which repealed Section 75 of the Higher Education Student Assistance Act.

h) Income not exempt from Illinois income taxation. The following types of income are not exempt from Illinois income taxation:

1) Income from securities commonly known as GNMA "Pass-Through Securities" and also known as GNMA "Mortgage-Backed Securities" issued by approved issuers under 12 USC 1721(g) and guaranteed by GNMA under 12 USCA 1721(g) (Rockford Life Insurance Co. v. Department of Revenue, 112 Ill.2d 174, 492 N.E. 2d 1278 (1986), reh. den. June 2, 1986) and income from debentures, notes, and bonds issued by the Federal National Mortgage Association including mortgage-backed bonds issued under authority of 12 USCA 1719(d) and guaranteed by GNMA under 12 USC 1721(g).

2) Accumulated interest on Internal Revenue Service tax refunds. Illinois Department of Revenue Letter Ruling No. 86-0640, dated July 11, 1986, citing Glidden Co. v. Glander, 151 Ohio St. 344, 86 N.E. 2d 1, 9 A.L.R. 2d 515 (1949).

3) Income from U.S. securities acquired by a taxpayer under a repurchase agreement ("repo") with a bank or similar financial organization. The Department takes the position that, for income tax purposes, such agreements are generally to be treated as loans. That is, the taxpayer "loans" money to the bank and receives interest in return. The securities subject to repurchase by the bank serve as collateral for the loan. The bank remains legally entitled to receive the interest payments from the issuing authority and remains the actual owner of the securities. Therefore, any tax benefit attributable to the "exempt" income paid by the issuing authority accrues to the bank and not to the investor.

4) Section 514(a) of the Employee Retirement Income Security Act of 1974 (ERISA, 29 USC 1144(a)) does not preempt the taxation of unrelated business income of an Employee Benefit Plan governed by ERISA. Buono v. NYSA-ILA Medical and Clinical Services Fund, 520 U.S. 806, 808 (1997). Taxpayers that relied upon the Department's letter rulings IT 90-0073, IT 93-0017 and IT 93-0187, prior to July 1, 2002, shall not incur

liability for taxes or penalties pursuant to Section 4(c) of the Taxpayers' Bill of Rights Act [20 ILCS 2520].

i) Method for computing the subtraction of exempt income. The Department emphasizes that before a taxpayer may subtract an item of exempt income, the taxpayer must be sure that he or she has included the item in Illinois income. Some tax-exempt items are "automatically" included in base income because they are included in federal adjusted gross income, which is a part of base income. Interest on U.S. Treasury notes is in this category. Other exempt items must be included as an addition on the Illinois tax return in figuring base income. In other words, the taxpayer must list certain tax-exempt items as additions and then as subtractions in figuring base income. Interest on the state and local government bonds described in subsection (f) is in this category.

(Source: Amended at 44 Ill. Reg. 2845, effective January 30, 2020)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

1) Heading of the Part: Illinois Veteran Grant (IVG) Program

2) Code Citation: 23 Ill. Adm. Code 2733

3) Section Number: 2733.20 — Adopted Action: Amendment

4) Statutory Authority: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/40 and 20(f)].

5) Effective Date of Rule: February 1, 2020

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) A copy of this adopted rule, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.

9) Notice of Proposal published in the *Illinois Register*: 43 Ill. Reg. 10789; October 4, 2019

10) Has JCAR issued a Statement of Objection to this rulemaking? No

11) Differences between Proposal and Final Version: Non-substantive punctuation and grammatical changes were made.

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? None were made.

13) Will this rulemaking replace an emergency rule currently in effect? Yes

14) Are there any rulemakings pending on this Part? No

15) Summary and Purpose of Rulemaking: This Part was revised due to legislation (PA 101-334) that expanded the eligibility criteria for the program, signed into law on August 9, 2019, effective July 1, 2019.

16) Information and questions regarding this adopted rule shall be directed to:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

Jackie Eckley
Agency Rules Coordinator
Illinois Student Assistance Commission
500 West Monroe, 3rd Floor
Springfield IL 62704

217/782-5161
jackie.eckley@illinois.gov

The full text of the Adopted Amendment begins on the next page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2733
ILLINOIS VETERAN GRANT (IVG) PROGRAM

Section
2733.10 Summary and Purpose
2733.20 Applicant Eligibility
2733.30 Program Procedures
2733.40 Institutional Procedures

AUTHORITY: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947].

SOURCE: Emergency rule adopted at 10 Ill. Reg. 14322, effective August 20, 1986 for a maximum of 150 days; emergency expired January 16, 1987; adopted at 11 Ill. Reg. 3207, effective January 29, 1987; amended at 12 Ill. Reg. 11536, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1733 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2733 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17858; amended at 14 Ill. Reg. 10571, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 15613, effective October 11, 1991, for a maximum of 150 days; emergency expired March 9, 1992; emergency amendment at 15 Ill. Reg. 18778, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 6880, effective April 14, 1992; amended at 16 Ill. Reg. 11261, effective July 1, 1992; amended at 17 Ill. Reg. 10570, effective July 1, 1993; amended at 18 Ill. Reg. 10309, effective July 1, 1994; amended at 20 Ill. Reg. 9200, effective July 1, 1996; old Part repealed and new Part adopted at 21 Ill. Reg. 11139, effective July 18, 1997; amended at 22 Ill. Reg. 11114, effective July 1, 1998; amended at 23 Ill. Reg. 7575, effective July 1, 1999; amended at 24 Ill. Reg. 9166, effective July 1, 2000; amended at 25 Ill. Reg. 8418, effective July 1, 2001; amended at 26 Ill. Reg. 10020, effective July 1, 2002; amended at 27 Ill. Reg. 10342, effective July 1, 2003; emergency amendment at 28 Ill. Reg. 12932, effective September 15, 2004, for a maximum of 150 days; amended at 29 Ill. Reg. 2462, effective February 1, 2005; amended at 29 Ill. Reg. 9912, effective July 1, 2005; amended at 30 Ill. Reg. 11646, effective July 1, 2006; amended at 32 Ill. Reg. 10313, effective July 1, 2008; amended at 36 Ill. Reg. 9426, effective July 1, 2012; amended at 37 Ill. Reg. 9522, effective July 1, 2013; amended at 39 Ill. Reg. 8425, effective July 1, 2015; amended at 42 Ill. Reg. 13628, effective July 1, 2018; emergency amendment at 43 Ill. Reg. 10804, effective September 18, 2019, for a maximum of 150 days; amended at 44 Ill. Reg. 2893, effective February 1, 2020.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENT

Section 2733.20 Applicant Eligibility

a) A qualified applicant shall be any member of the Armed Forces of the United States, a reserve component of the Armed Forces, or the Illinois National Guard who has served at least one year of federal active duty service and whose service has been characterized as honorable, provided he or she:

1) was a:

A) resident of Illinois at the time of entering federal active duty service or within 6 months prior to entering the service; or

B) student at an Illinois public university or community college at the time of entering federal active duty service; and

2) established or plans to establish Illinois residency within 6 months after leaving federal active duty service, or if married to a person in continued military service:

A) applied for this grant within 6 months after and including the date that the spouse was stationed within Illinois; or

B) established Illinois residency within 6 months after and including the date that the spouse was separated (if the spouse was stationed outside Illinois).

b) To use benefits, a~~A~~ qualified applicant meeting the requirements of subsection (a) must reside in Illinois while enrolled unless he or she is serving federal active duty during~~at~~ the time of enrollment or is residing with a spouse in continued military service who is currently stationed outside of Illinois.

c) An applicant who does not meet the residency requirements in subsection (a) may be a qualified applicant if he or she:

1) resides in Illinois at the time of application and while enrolled; and

2) has been a resident of Illinois for at least 15 consecutive years since leaving federal active duty.

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d) Any member of the Armed Forces of the United States, a reserve component of the Armed Forces, or the Illinois National Guard who has served at least one year of federal active duty service and who meets the Illinois residency requirements of this Section~~subsections (a) and (b)~~ is a qualified applicant if his or her service was characterized as honorable. If the applicant is still in service, the individual shall be subject to verification of continued eligibility for assistance under this Part after each period of federal active duty service.

e~~d~~) A recipient must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.

f~~e~~) An individual is not a qualified applicant unless the individual's service was characterized as honorable for each period of federal active duty service.

g~~f~~) An individual is not a qualified applicant if the individual's federal active duty service was for less than one year unless:

1) the applicant's separation from such service for medical reasons directly connected with such service was characterized as honorable; or

2) the applicant's separation prior to August 11, 1967 was characterized as honorable; or

3) the applicant's federal active duty service, which included service in a foreign country in a time of hostilities in that country, was characterized as honorable. As used in this Section, "time of hostilities in a foreign country" means any action by the Armed Forces of the United States that is recognized by the issuance of a Presidential proclamation or a Presidential executive order and in which the Armed Forces expeditionary medal or other campaign service medals are awarded according to Presidential executive order.

h~~g~~) Members of the Reserve Officer Training Corps (ROTC) are not eligible for assistance under this Part.

i~~h~~) Applicants are not eligible if their only service has been attendance at a service academy.

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j~~i~~) In order to establish eligibility for this grant, an individual shall submit to ISAC an application and documentation of all periods of service.

1) An applicant should submit a copy of his or her Certificate of Release or Discharge From Active Duty (DD Form 214) or Discharge Certificate, which can be obtained from the National Personnel Records Center or the Illinois Department of Veterans' Affairs.

2) If the applicant does not have a copy of the DD Form 214, he/she should submit documentation that provides the following information: date of entry, date of separation, character of service, total active service, home or place of entry into the service, and home or place of separation from the service. The~~Such~~ documentation must have been issued by the United States Department of Defense (DD) or the United States Department of Veterans Affairs.

3) If the applicant is a member of the Armed Forces at the time of application, he or she shall submit a letter from the commanding officer. This letter must:

A) indicate that the applicant is a member of the Armed Forces at the time of application;

B) include character of service;

C) include the veteran's home of record at the time of original enlistment;

D) state the individual's length of time in each period of federal active duty service; and

E) state the expiration date of the current enlistment.

4) The definition of "Resident of Illinois" contained in 23 Ill. Adm. Code 2700.20 does not apply~~is applicable~~ to the Illinois Veteran Grant Program; rather~~ although residency~~, for the purposes of this program, residency is~~can be~~ established as stated in subsections (a) and (b) or (c)~~in six months~~. If the applicant's DD Form 214 does not indicate Illinois residency when entering and/or separating from the Armed Forces, and

when any other residency requirement is being verified, he/she may verify residency by providing one or more of the documents listed in this subsection (j)(4)~~below~~. ISAC may choose to request documents in addition to, or instead of, those listed. The dates recorded on the documents must indicate the applicant has resided in Illinois for the required period.~~:~~

A) Illinois driver's license issued during the relevant 6~~six~~ month period;

B) Illinois high school or college transcripts demonstrating attendance during the relevant 6~~six~~ month period;

C) Utility bills/rent receipts in the applicant's name for the relevant 6~~six~~ month period;

D) Illinois motor vehicle registration issued during the relevant 6~~six~~ month period;

E) Residential lease in the applicant's name for the relevant 6~~six~~ month period;

F) Statement of benefits history from the Illinois Department of Public Aid for the relevant 6~~six~~ month period;

G) Statement of benefits from the Illinois Department of Employment Security for the relevant 6~~six~~ month period;

H) State of Illinois identification card issued during the relevant 6~~six~~ month period; or

I) Letter of employment verified by certification in accordance with Illinois law (see 735 ILCS 5/1-109) and printed on company letterhead.

(Source: Amended at 44 Ill. Reg. 2893, effective February 1, 2020)

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1) Heading of the Part: Sports Wagering

2) Code Citation: 11 Ill. Adm. Code 1900

3)

Section Numbers:	Emergency Actions:
1900.340	New Section
1900.410	New Section
1900.420	New Section
1900.600	New Section
1900.610	New Section
1900.620	New Section
1900.630	New Section
1900.1000	New Section
1900.1010	New Section
1900.1020	New Section
1900.1030	New Section
1900.1040	New Section
1900.1050	New Section
1900.1100	New Section
1900.1110	New Section
1900.1120	New Section
1900.1130	New Section
1900.1140	New Section
1900.1150	New Section
1900.1160	New Section
1900.1170	New Section
1900.1180	New Section
1900.1190	New Section
1900.1210	New Section
1900.1220	New Section
1900.1230	New Section
1900.1240	New Section
1900.1250	New Section
1900.1310	New Section
1900.1320	New Section
1900.1330	New Section
1900.1400	New Section
1900.1410	New Section
1900.1420	New Section

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1900.1430	New Section
1900.1440	New Section
1900.1450	New Section
1900.1500	New Section
1900.1510	New Section
1900.1520	New Section
1900.1610	New Section
1900.1620	New Section
1900.1630	New Section
1900.1640	New Section
1900.1650	New Section
1800.1660	New Section
1900.1710	New Section
1900.1720	New Section
1900.1730	New Section
1900.1740	New Section

4) Statutory Authority: Section 25-15 (b) of the Sports Wagering Act [230 ILCS 45/25-15 (b)] provides that: "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."

5) Effective Date of Rules: January 28, 2020

6) If this emergency rule is to expire before the end of the 150-day period, please specify the date on which it is to expire: The emergency amendments will expire at the end of the 150-day period or upon adoption of permanent rules, whichever comes first.

7) Date Filed with the Index Department: January 28, 2020

8) A copy of the emergency amendments, including any material incorporated by reference, is on file in the Illinois Gaming Board's principal office and is available for public inspection.

9) Reason for Emergency: Section 25-15 (b) of the Sports Wagering Act [230 ILCS 45/25-15 (b)] provides that: "The Board may adopt any rules the Board considers necessary for the successful implementation, administration, and enforcement of this Act, except for

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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."

10) A Complete Description of the Subjects and Issues Involved: The present emergency rulemaking implements the provisions of the Sports Wagering Act (SWA) enacted by PA 101-31, effective June 28, 2019, and amended by PA 101-597, effective December 6, 2019. This is the second rulemaking implementing the provisions of the SWA. The first emergency rulemaking was published in the *Illinois Register* at 44 Ill. Reg. 314 (January 3, 2019), with publication of an identical proposed permanent rulemaking at 44 Ill. Reg. 84 (January 3, 2019).

The present rulemaking governs accounting measures, financial record requirements, commencement of wagering, prohibited wagers, types of events allowed, types of wagers authorized, conduct of wagering, house rules for wagering, internet wagering requirements, sports wagering accounts, responsible gaming limits, reporting prohibited conduct, official league data, wagering equipment requirements, internal controls, wagering locations, sports facilities, self-exclusion program, and many other important issues that will allow sports wagering to be operational in Illinois.

11) Are there any other rulemakings pending to this Part? Yes

Section Numbers:	Proposed Actions:	*Illinois Register* Citations:
1900.110	New Section	44 Ill. Reg. 84; January 3, 2020
1900.120	New Section	44 Ill. Reg. 84; January 3, 2020
1900.130	New Section	44 Ill. Reg. 84; January 3, 2020
1900.150	New Section	44 Ill. Reg. 84; January 3, 2020
1900.160	New Section	44 Ill. Reg. 84; January 3, 2020
1900.210	New Section	44 Ill. Reg. 84; January 3, 2020
1900.220	New Section	44 Ill. Reg. 84; January 3, 2020
1900.230	New Section	44 Ill. Reg. 84; January 3, 2020
1900.240	New Section	44 Ill. Reg. 84; January 3, 2020
1900.250	New Section	44 Ill. Reg. 84; January 3, 2020
1900.260	New Section	44 Ill. Reg. 84; January 3, 2020
1900.270	New Section	44 Ill. Reg. 84; January 3, 2020
1900.310	New Section	44 Ill. Reg. 84; January 3, 2020
1900.320	New Section	44 Ill. Reg. 84; January 3, 2020
1900.330	New Section	44 Ill. Reg. 84; January 3, 2020
1900.500	New Section	44 Ill. Reg. 84; January 3, 2020
1900.510	New Section	44 Ill. Reg. 84; January 3, 2020

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1900.520	New Section	44 Ill. Reg. 84; January 3, 2020
1900.530	New Section	44 Ill. Reg. 84; January 3, 2020
1900.700	New Section	44 Ill. Reg. 84; January 3, 2020
1900.710	New Section	44 Ill. Reg. 84; January 3, 2020
1900.715	New Section	44 Ill. Reg. 84; January 3, 2020
1900.720	New Section	44 Ill. Reg. 84; January 3, 2020
1900.730	New Section	44 Ill. Reg. 84, January 3, 2020
1900.735	New Section	44 Ill. Reg. 84; January 3, 2020
1900.740	New Section	44 Ill. Reg. 84; January 3, 2020
1900.750	New Section	44 Ill. Reg. 84; January 3, 2020
1900.760	New Section	44 Ill. Reg. 84; January 3, 2020
1900.770	New Section	44 Ill. Reg. 84; January 3, 2020
1900.780	New Section	44 Ill. Reg. 84; January 3, 2020
1900.790	New Section	44 Ill. Reg. 84; January 3, 2020
1900.795	New Section	44 Ill. Reg. 84; January 3, 2020
1900.810	New Section	44 Ill. Reg. 84; January 3, 2020
1900.815	New Section	44 Ill. Reg. 84; January 3, 2020
1900.820	New Section	44 Ill. Reg. 84; January 3, 2020
1900.825	New Section	44 Ill. Reg. 84; January 3, 2020
1900.830	New Section	44 Ill. Reg. 84; January 3, 2020
1900.835	New Section	44 Ill. Reg. 84; January 3, 2020
1900.840	New Section	44 Ill. Reg. 84; January 3, 2020
1900.850	New Section	44 Ill. Reg. 84; January 3, 2020
1900.860	New Section	44 Ill. Reg. 84; January 3, 2020
1900.870	New Section	44 Ill. Reg. 84; January 3, 2020
1900.880	New Section	44 Ill. Reg. 84; January 3, 2020
1900.890	New Section	44 Ill. Reg. 84; January 3, 2020
1900.895	New Section	44 Ill. Reg. 84; January 3, 2020
1900.910	New Section	44 Ill. Reg. 84; January 3, 2020
1900.915	New Section	44 Ill. Reg. 84; January 3, 2020
1900.920	New Section	44 Ill. Reg. 84; January 3, 2020
1900.925	New Section	44 Ill. Reg. 84; January 3, 2020
1900.930	New Section	44 Ill. Reg. 84; January 3, 2020
1900.935	New Section	44 Ill. Reg. 84; January 3, 2020
1900.940	New Section	44 Ill. Reg. 84; January 3, 2020
1900.945	New Section	44 Ill. Reg. 84; January 3, 2020
1900.950	New Section	44 Ill. Reg. 84; January 3, 2020
1900.960	New Section	44 Ill. Reg. 84; January 3, 2020
1900.970	New Section	44 Ill. Reg. 84; January 3, 2020

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1900.980	New Section	44 Ill. Reg. 84; January 3, 2020
1900.990	New Section	44 Ill. Reg. 84; January 3, 2020
1900.995	New Section	44 Ill. Reg. 84; January 3, 2020

12) Statement of Statewide Policy Objective: This rulemaking does not create or expand a State mandate under 30 ILCS 805.

13) Information and questions regarding this emergency rulemaking shall be directed to:

Agostino Lorenzini
General Counsel
Illinois Gaming Board
160 North LaSalle Street
Chicago IL 60601

IGB.RuleComments@igb.illinois.gov

The full text of the Emergency Amendments begins on the next page:

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NOTICE OF EMERGENCY AMENDMENTS

TITLE 11: ALCOHOL, HORSE RACING, LOTTERY, AND VIDEO GAMING
SUBTITLE E: SPORTS WAGERING
CHAPTER I: ILLINOIS GAMING BOARD

PART 1900
SPORTS WAGERING

SUBPART C: STANDARDS OF CONDUCT

Section
1900.340 Advertising and Marketing
EMERGENCY

SUBPART D: INVESTIGATING PROHIBITED CONDUCT

Section
1900.410 Reporting Prohibited Conduct
EMERGENCY
1900.420 Referral of Investigations
EMERGENCY

SUBPART F: ONLINE LICENSE COMPETITIVE BIDDING

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1900.600 Coverage of Subpart
EMERGENCY
1900.610 Forms and Submissions
EMERGENCY
1900.620 Initial Competitive Selection
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1900.1000 Ownership Records
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1900.1010 Accounting Records

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1900.1020 Standard Financial and Statistical Records
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1900.1030 Annual and Special Audits and Other Reporting Requirements
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1900.1040 Wagering Tax
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1900.1050 Reserve Requirements
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SUBPART K: CONDUCT OF WAGERING

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1900.1100 Commencement of Wagering
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1900.1110 Temporary Suspension of Wagering
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1900.1120 Prohibited Wagering Activity
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1900.1130 Requests to Prohibit
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1900.1140 Authorized Events and Competitions
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1900.1150 Placement of Wagers
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1900.1160 Redemption of Wagers
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1900.1170 Cancelled or Void Wagers
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1900.1180 General Conduct of Wagering
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1900.1190 House Rules
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SUBPART L: CONDUCT OF ONLINE WAGERING

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1900.1220 Sports Wagering Accounts
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1900.1230 Client Requirements
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1900.1240 Account Suspension
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1900.1250 Responsible Gaming Limits
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1900.1320 Official League Data
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1900.1330 Commercial Reasonableness
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1900.1410 Testing and Certification of Wagering Equipment
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1900.1420 Wagering Equipment Requirements
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1900.1430 Internet Wagering System Requirements
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1900.1440 Transfer, Maintenance and Disposal of Wagering Equipment
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1900.1450 Sports Wagering System Requirements
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1900.1710 Self-Exclusion Program
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1900.1720 Distribution and Availability of Confidential Self-Exclusion List
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1900.1730 Duties of Licensees Regarding Self-Excluded Persons
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1900.1740 Effect of Enrollment
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AUTHORITY: Implementing and authorized by the Video Gaming Act [230 ILCS 40].

SOURCE: Emergency rule adopted at 44 Ill. Reg. 2900, effective January 28, 2020, for a maximum of 150 days.

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SUBPART C: STANDARDS OF CONDUCT

Section 1900.340 Advertising and Marketing
EMERGENCY

a) Each licensee shall be responsible for the content and conduct of any and all advertising or marketing done on its behalf or to its benefit whether conducted by the licensee, an employee or agent of the licensee, an affiliated entity or a third party pursuant to contract.

b) For the purposes of this section, advertising and marketing includes, but is not limited to:

1) direct mail or electronic mail;

2) telemarketing;

3) broadcast media;

4) billboards or signage;

5) internet advertising; or

6) patron acquisition, referral, or retention programs.

c) Each master sports wagering licensee and management services provider licensee shall retain a copy of all advertising and marketing materials, including a log of when and how those materials have been published, aired, displayed, or distributed. Such materials and logs shall be retained in accordance with the retention schedule prescribed pursuant to Section 1900.330.

d) All advertising and marketing materials and the publication log shall be made available to the Board or its agents upon request.

e) All advertising and marketing materials published, aired, displayed, or distributed by or on behalf of any licensee shall comply with the following:

1) Must not directly advertise or promote sports wagering to minors;

2) Shall include problem gambling language materially consistent with the compulsive gambling text determined by rule by the Department of Human Services;

3) Shall state patrons must be 21 years of age or older to wager;

4) Shall not contain images, symbols, celebrity or entertainer endorsements, or language designed to appeal specifically to those under 21 years of age;

5) Shall not feature anyone who is or appears to be under 21 years of age;

6) Shall not be published, aired, displayed, or distributed in media outlets, including social media, that appeal primarily to individuals under 21 years of age;

7) Shall not be placed before any audience where the majority of the viewers or participants is presumed to be under 21 years of age;

8) Shall not imply greater chances of winning versus other licensees;

9) Shall not imply greater chances of winning based on wagering in greater quantity or amount; and

10) All direct marketing shall allow the option to unsubscribe.

f) No licensee may enter into an agreement with a third party to conduct advertising or marketing on behalf or to the benefit of the licensee where compensation is dependent on or related to the outcome of wagers.

SUBPART D: INVESTIGATING PROHIBITED CONDUCT

Section 1900.410 Reporting Prohibited Conduct
EMERGENCY

a) The Board shall establish an electronic form on its website to allow individuals to report allegations of prohibited conduct, criminal behavior, or violations of the Act or Rules.

b) Any individual making a report shall be required to include the following:

1) Identification of the individual making the report;

2) Summary of the facts supporting the allegation;

3) Affirmation by the individual that all information contained in the report is true and correct to the best of his or her knowledge and belief; and

4) Acknowledgment by the individual that knowingly making false statements in the report may subject the individual to criminal penalties.

c) The identity of any individual making a report and the contents of any report under this section shall be confidential and not subject to disclosure under the Freedom of Information Act [5 ILCS 140/7(1)(a)].

d) The identity of any individual making a report shall not be disclosed for any reason unless the individual authorizes such disclosure or if the allegation is referred by the Board to a law enforcement agency.

Section 1900.420 Referral of Investigations
EMERGENCY

a) Upon receiving a report of prohibited conduct pursuant to Section 1900.410 that the Administrator or his or her designee deems reasonable, Board staff shall conduct a preliminary investigation.

b) After a preliminary investigation, if the Administrator or his or her designee concludes the allegations contained in the report are credible, the Administrator shall refer the allegations to the appropriate law enforcement agency.

c) Referrals pursuant to paragraph (b) of this Subpart shall be as follows:

1) When the alleged conduct occurs entirely or primarily within the State of Illinois, referrals shall be made to the Office of the Attorney General or to any appropriate State's Attorney;

2) When the alleged conduct occurs entirely or primarily within a state other than the State of Illinois, referrals shall be made to the Attorney General of

that state and to any sports wagering regulatory agency of that state, if applicable; or

3) When the alleged conduct implicates interstate commerce or other violation of federal law, referrals shall be made to the Federal Bureau of Investigation.

d) In addition to any referral pursuant to paragraph (b), if a report alleges prohibited conduct by an athlete, upon determining that the allegations in the report are credible, the Administrator shall notify the appropriate sports governing body in writing. Such notification shall include the identity of the athlete, and a general description of the nature of the allegations.

SUBPART F: ONLINE LICENSE COMPETITIVE BIDDING

Section 1900.600 Coverage of Subpart
EMERGENCY

The rules contained in this Subpart shall govern procedures for applying for a master sports wagering license pursuant to Section 25-45 of the Act. Where Subpart F conflicts with Subpart G, Subpart F shall apply.

Section 1900.610 Forms and Submissions
EMERGENCY

a) The Administrator shall promulgate an Online Master Sports Wagering License Application and Bid Summary Form and cause them to be posted to the Board's website.

b) During any application period, an applicant may submit a bid. A complete bid shall include, at minimum, the following:

1) A completed Online Master Sports Wagering License Application;

2) Business Entity Disclosure Forms or Individual Key Person Personal Disclosure Forms for all key persons;

3) Any and all documents required by Section 1900.715 or Section 1900.720 of Subpart G;

4) A completed Bid Summary Form;

5) A completed 5.1 Disclosure of Records statement containing all information responsive to Section 5.1(a) of the Illinois Gambling Act [230 ILCS 10/5.1(a)].

6) A notarized affirmation by the applicant that the applicant has conducted its own due diligence and investigation, and the applicant and all key persons meet the minimum qualifications of the Act and Section 1900.520.

c) A bid shall be submitted in electronic format to the address listed on the Online Master Sports Wagering License Application.

Section 1900.620 Initial Competitive Selection
EMERGENCY

a) The application period for the initial competitive selection pursuant to Section 25-45 of the Act shall commence upon the Administrator posting public notice of the application on the Board website, along with the Online Master Sports Wagering License Application and Bid Summary Form.

b) The Administrator shall post the notice and forms no later than 420 days after the first license of any kind is issued under the Act.

c) The application period shall last for 120 days after the notice and forms are posted.

d) No bid shall be accepted after the close of the application period.

e) Incomplete Bids.

1) If the Administrator determines a bid or application is incomplete, the Administrator shall notify the applicant in writing. The notice shall identify any deficiencies in the bid submission.

2) The applicant may supplement its bid submission to remedy any deficiencies. Such supplement must be received no later than 30 days after notice is given to the applicant of the deficiencies.

3) If the Administrator determines the bid submission is still incomplete because the applicant failed to supplement its bid submission, or because the supplement did not remedy all deficiencies, the applicant shall be disqualified.

f) Until opened in a public forum pursuant to Section 25-45(e) of the Act, the identity of applicants and contents of bids shall be confidential and not subject to disclosure under the Freedom of Information Act [5 ILCS 140/7(1)(a)].

g) Applicants and key persons shall submit fingerprints on forms prescribed by the Board no later than 30 days after the close of the application period.

1) An applicant may request an extension of up to 30 days which may be granted by the Administrator for good cause shown.

2) An applicant which fails to timely submit all required fingerprints shall be deemed not a qualified applicant.

h) The Administrator shall review the criminal history of all key persons and applicants not otherwise disqualified and determine whether the applicant meets the minimum qualifications under Section 25-45(d) of the Act and Section 1900.520(b).

1) Any applicant that fails to meet the minimum qualifications shall be deemed not a qualified applicant and disqualified.

2) Any applicant that meets the minimum qualifications of Section 25-45(d) of the Act and Section 1900.520(b) shall be deemed a qualified applicant.

i) The Administrator shall notify an applicant in writing when it is either deemed qualified or disqualified.

j) After every applicant that submitted a bid during the application period has been either disqualified or deemed qualified by the Administrator, the qualified applicants' bids shall be opened in a public forum after no less than 48 hours public notice.

k) At the time of opening, the Administrator shall disclose:

1) the identity of all qualified applicants;

2) the identity of all disqualified applicants;

3) the 5.1 Disclosure of Records statements of all applicants as provided by Section 1900.610(b)(5); and

4) the Bid Summary Form of all applicants.

l) No more than 90 days after the publication of the qualified applicants, the Board shall identify three winning bidders. In determining the winning bidders, the Board shall consider the all of following factors:

1) the character, reputation, experience and financial integrity of the applicant, its key persons, and any other person that directly or indirectly controls or is controlled by the applicant or a key person or affiliate of the applicant;

2) the highest prospective total revenue to be derived by the State from the conduct of sports wagering;

3) the extent to which the ownership of the applicant reflects the diversity of the State by including minority persons, women, persons with a disability, and veterans of service in the armed forces of the United States;

4) the good faith affirmative action plan of each applicant to recruit, train and upgrade minority persons, women, persons with a disability, and veterans of service in the armed forces of the United States in all employment classifications;

5) whether the applicant has adequate capitalization to establish and maintain a sports wagering operation for the duration of a license;

6) the amount of the applicant's license bid;

7) any factor listed in Section 1900.510; and

8) any other factor relevant to security and integrity of the Illinois Sports Wagering Industry.

m) After selecting winning bidders, the Board shall conduct an investigation of the applicant to determine whether the applicant is suitable for licensure under the Act and Board rules.

n) Pursuant to Section 25-45(g) of the Act, at any point after selecting the winning bidders and before the issuance of a license pursuant to this Subpart, the Board may make a finding that a winning bidder is not suitable for licensure for any reason under Section 1900.510, and that applicant shall be disqualified. The Board shall select another winning bidder from any remaining qualified applicants.

o) Disqualified applicants under this Subpart are not entitled to administrative hearings on disqualification.

p) If the Board finds a winning bidder suitable for licensing, it shall direct the Administrator to issue the applicant a license upon payment of the applicant's license fee.

Section 1900.630 Supplementary Competitive Selection
EMERGENCY

a) If at any time after the initial competitive selection for issuance of master sports wagering licenses pursuant to Section 25-45 of the Act there are fewer than three active master sports wagering licenses, the Administrator may commence a supplementary competitive selection.

b) To commence a supplementary competitive selection, the Administrator shall post public notice on the Board website.

c) The application period shall last for 120 days after the notice is posted.

d) The supplementary competitive selection shall otherwise comply with all other provisions of Section 1900.620.

SUBPART J: ACCOUNTING, RECORDS, AND DATA

ILLINOIS GAMING BOARD

NOTICE OF EMERGENCY AMENDMENTS

Section 1900.1000 Ownership Records
EMERGENCY

A holder of a master sports wagering license or management services provider license shall keep on a permanent basis and provide to the Board upon request the following records.

a) If a corporation:

1) A certified copy of the articles of incorporation and any amendments;

2) A certified copy of the bylaws and any amendments;

3) A certificate of good standing from the state of its incorporation;

4) A certificate of authority from the Illinois Secretary of State authorizing it to do business in Illinois, if such corporation is operating as a foreign corporation in Illinois;

5) A list of all current and former officers and directors, including the dates each individual held such titles;

6) A certified copy of minutes of all meetings of the stockholders and directors;

7) A current list of all stockholders including the names of beneficial owners of shares held in street or other names;

8) The name of any business entity and a current list of all stockholders in such entity, including the names of beneficial owners of shares held in street or other names, in which such corporation has a direct, indirect or attributed interest;

9) A copy of the stock certificate ledger;

10) A complete record of all transfers of stock;

11) A schedule of amounts paid to the corporation for issuance of stock and other capital contributions and dates thereof;

12) A schedule of all dividends distributed by the corporation; and

13) A schedule of all salaries, wages, and other remuneration (including perquisites), direct or indirect, paid during the calendar or fiscal year, by the corporation, to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year, equal to or greater than 5% of the outstanding capital stock of any class of stock.

b) If a limited liability company ("LLC"):

1) A certified copy of the Articles of Formation;

2) A certificate of authority from the Illinois Secretary of State authorizing it to do business in Illinois, if such LLC is operating as a foreign organization in Illinois;

3) A certified copy of the Operating Agreement and any amendments thereto;

4) The name and address of each Member;

5) A detailed description of the organization of the LLC, including whether the LLC is managed by an outside manager;

c) If a partnership:

1) A certified copy of the partnership agreement;

2) A certificate of limited partnership of its domicile;

3) A list of the partners, including names, addresses, the percentage of interest in net assets, profits and losses held by each, the amount and date of each capital contribution of each partner, and the date the interest was acquired;

4) A schedule of all withdrawals of partnership funds or assets; and

5) A schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to each partner during the calendar or fiscal year.

6) A schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to each member, manager, or employee during the calendar or fiscal year.

d) If a sole proprietorship:

1) A schedule showing the name and address of the proprietor and the amount and date of his original investment;

2) A schedule of dates and amounts of subsequent additions to the original investment and any withdrawals; and

3) A schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

Section 1900.1010 Accounting Records
EMERGENCY

A master sports wagering licensee or its designee shall keep, in accordance with the retention schedule, and provide to the Board upon request the following records specific to sports wagering activity:

a) The accounting records shall be maintained in a format defined in its Internal Control System as approved by the Administrator, with transactions recorded on the accrual basis and supported by detailed and subsidiary records.

b) The Administrator shall prescribe a summary level chart of accounts to insure consistency, comparability, and appropriate disclosure of financial information.

c) The detailed subsidiary records shall include as a minimum the following:

1) Detailed general ledger accounts identifying all revenue sources, expenses, assets, liabilities and equity for the holder of a master sports wagering license;

2) Records of all investments, advances, loans and receivable balances, other than patron checks, due to the establishment;

3) Records of all loans and other amounts payable by the holder of a master sports wagering license;

4) Records of all patron checks initially accepted by the holder of a master sports wagering license, deposited by the licensee, returned to the licensee as "uncollected" and ultimately written-off as uncollectible by the holder of a master sports wagering license;

5) Journal entries prepared by the holder of a master sports wagering license and an independent accountant;

6) Tax workpapers used in preparation of any state or federal tax return;

7) Records that identify by sporting contest or event, gross sports wagering receipts, winnings paid to wagerers, tier 1 sports wagers, tier 2 sports wagers, ticket redemption and such other information relating to sports wagering as deemed necessary by the Board or required by its Internal Control Systems;

8) Records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to patrons in the normal course of a licensee's business shall be recorded at an amount based upon the full retail price normally charged for such service or item;

9) Records required to fully comply with all the federal financial record-keeping requirements as enumerated in 31 CFR 103;

10) Records required by the holder of a master sports wagering licensee's Internal Control System;

11) Workpapers supporting the daily reconciliation of cash accountability;

12) Records concerning the acquisition or construction of a proposed or existing facility; and

13) Any other records that the Administrator requires to be maintained.

d) If a holder of a master sports wagering license or its designee fails to maintain the records used in order to calculate the adjusted gross sports wagering receipts, the Administrator may compute and determine the amount of the adjusted gross sports wager receipts upon the basis of an audit conducted by the Board based upon available information.

Section 1900.1020 Standard Financial and Statistical Records
EMERGENCY

a) The a master sports wagering licensee, unless specifically exempted by the Administrator, shall file daily, monthly, quarterly and annual reports of financial and statistical data.

b) The Administrator shall periodically prescribe a set of standard reporting forms and instructions to be used in filing daily, monthly, quarterly and annual reports.

c) Annual reports shall be based on a calendar year beginning January 1 and ending December 31. Quarterly reports shall be based on the calendar quarters ending March 31, June 30, September 30 and December 31. Monthly reports shall be based on calendar months. Quarterly and monthly reports shall contain a cumulative year-to-date column so as to facilitate analysis.

d) Reports required to be filed pursuant to this Section shall be submitted electronically in accordance with the form instructions and received no later than the required filing date. The required filling date for monthly reports shall be the last calendar day of the following month.

e) In the event of a termination or suspension of a master sports wagering license, voluntary or involuntary change in business entity or material change in ownership, the master sports wagering licensee shall file an interim quarterly report as of the date of occurrence of such event, unless such event has already been disclosed in a regular quarterly report or unless exempted by the Administrator. The filing date shall be 30 calendar days after the date of occurrence of the event.

f) Any adjustments resulting from the quarterly and annual audits shall be recorded in the accounting records. In the event that the adjustments were not reflected in the master sports wagering licensee's quarterly or annual reports and the Administrator concludes the adjustments are significant, a revised report may be

required. The revised filing shall be due within 30 calendar days after written notification to the master sports wagering licensee.

Section 1900.1030 Annual and Special Audits and Other Reporting Requirements EMERGENCY

a) Annual and Special Audits and other reports

1) The Administrator shall direct an audit to be performed of the annual financial statements of the holder of a master sports wagering license, including a report on the Internal Control System communicating any reportable conditions and material weaknesses noted in the course of the audit. Upon written notice by the Administrator other procedures or reports may be required. The annual audit shall be performed by an independent certified public accountant who is or whose firm is licensed in the State of Illinois. The independent certified public accountant who performs the annual audit shall be approved by the Administrator and may be based on the recommendation of the licensee.

2) The annual audit and internal control report procedures shall be performed in accordance with generally accepted auditing standards. The annual audit report is to be presented in accordance with generally accepted accounting principles and contain the opinion of the independent certified public accountant as to its fair presentation in accordance with such generally accepted accounting principles.

3) To ensure the integrity of Gaming, compliance with the Act and the rules of the Board, the Administrator may require at any time a special audit of a holder of a master sports wagering license to be conducted by Board personnel or an independent certified public accountant who is, or whose firm is, licensed in Illinois. The Administrator shall establish the scope, procedures and reporting requirements of any special audit.

b) Quarterly compliance reports by independent certified public accountants or personnel. The Administrator shall require quarterly compliance reports to be prepared and procedures performed by independent certified public accountants or Board personnel covering the following:

1) Quarterly agreed-upon procedures to ascertain that adjusted gross sports wagering receipts are determined in conformity with the Act and this Part;

2) Semi-annual agreed-upon procedures relating to internal controls;

3) Semi-annual "unannounced" observation of the sports wagering activity and accounting procedures. For purposes of these procedures, "unannounced" means that no officers, directors or employees of the holder of a master sports wagering license or its designee are given advance information regarding the dates or times of such observations;

4) Review of purchasing functions and contractual agreements, both oral and written, on a sample basis, in order to report on compliance with the licensee's Internal Control System and to determine that such purchases and contractual agreements are not in excess of their fair market value. This review shall be conducted at least annually at the direction of the Administrator; and

5) Quarterly reports on deviations from the licensee's approved Internal Control System based on procedures performed in the reports of adjusted gross sports wagering receipts, procedures relating to internal controls, purchasing and contracting functions or "unannounced" observations.

c) Independent certified public accountants performing annual audits shall not perform compliance services on behalf of the Administrator for the same licensees.

d) Independent certified public accountants who perform compliance services to a licensee on behalf of the Administrator shall not perform an annual audit or any other service for such licensee during the terms of their engagement and for a period of two years following termination of the engagement.

e) The holder of master sports wagering license shall prepare a written response relating to findings noted in the independent certified public accountant's or Board's reports as required by subsections (a) and (b) of this Section. The response shall indicate in detail the corrective actions taken and shall be incorporated in the independent certified public accountant's or Board's reports.

f) The reports required under this Section shall be submitted electronically in a manner prescribed by the Administrator and such reports shall be received by the Administrator no later than the required filing date.

1) Quarterly reports for procedures performed in the first three fiscal quarters of a licensee's approved fiscal year shall be due not later than two months after the last day of the quarter.

2) Quarterly reports for the procedures performed in the fourth fiscal quarter of the licensee's approved fiscal year and the annual reports shall be due not later than three months after the last day of the calendar or fiscal year.

g) Master sports wagering licensees who are public reporting companies under the Securities Act of 1933 or the Securities Exchange Act of 1934 shall submit electronic copies of all reports required by the Securities and Exchange Commission to the Administrator. These reports shall be due on the same filing dates as required by the Securities and Exchange Commission.

h) All of the audits and reports required by this Section that are performed by independent certified public accountants shall be prepared at the sole expense of the master sports wagering licensee.

i) The reporting year end of the master sports wagering licensee shall be December 31.

Section 1900.1040 Wagering Tax
EMERGENCY

a) For the purposes of this section, "wagering tax" means the tax assessment due pursuant to subsection 25-90(a) of the Act. Each holder of a master sports wagering license is subject to tax and fee liability assessment under the Act.

b) Wagering taxes shall be paid via an electronic funds transfer system employing an Automated Clearinghouse Debit method (ACH-Debit). Each master sports wagering licensee shall maintain an account with sufficient funds to pay, in a timely fashion, all tax and fee liabilities due under the Act. The account shall be maintained at a financial institution capable of making payments to the State under the electronic funds transfer requirements imposed by the State.

c) The Administrator shall prescribe and make available to each master sports wagering licensee and manager forms, instructions and reporting requirements for taxes. Forms may be provided by the Administrator to master sports wagering licensees in computer-based format and include a computer program that, upon input by the licensee of requisite data, provides for the calculation of tax and fee reporting information and tax and fee liability.

d) The Tax and Fee Schedules must be filed with the Board no later than 12:00 noon on the due date. Wagering tax payments shall be transferred electronically on the due date to the Board's designated financial institution by the end of that financial institution's business day. For purposes of tax and fee schedules and tax and fee payments, the due date shall be defined as the last day of the month following the calendar month in which the adjusted gross sports wagering receipts were received and the wagering tax obligation was accrued.

e) The wagering tax imposed on the master sports wagering licensee shall be based on adjusted gross sports wagering receipts from sports wagering. Adjusted gross sports wagering receipts equal the total value of placed wagers during the reporting month less the payouts on redeemed winning wagers paid during the reporting month along with any adjustments made. The wagering tax imposed on the master sports wagering licensee shall be 15% of adjusted gross sports wagering receipts.

f) Pursuant to Section 25-90(a-5) of the 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. For the purposes of this tax, a wager is considered placed within the county if the patron is physically located within the county at the time the wager is placed.

g) Monthly Tax and Fee Schedules shall include all information necessary for adjustments and reconciliation of tax and fee liability and shall be subject to audit by the Board and its audit agents. Adjustments to previously reported tax and fee information shall be made by the master sports wagering licensee, except that no adjustment of $25,000 or more shall be made to previously reported adjusted gross sports wagering receipts without the prior written approval of the Administrator or the Administrator's designee.

h) In the event that a Tax and Fee Schedule properly reflects a net loss experienced by the master sports wagering licensee, an adjustment for the amount of any

remaining net wagering loss (negative adjusted gross sports wagering receipts) shall be carried forward on the subsequent Tax and Fee Schedules until such loss is offset by net win (positive adjusted gross sports wagering receipts).

i) All Wagering Taxes paid pursuant to the requirements of the Act shall be deposited by the Board into the Sports Wagering Fund. On the 25th of each month, the Board shall transfer excess funds in the Sports Gaming Fund to the Capital Projects Fund.

j) Failure to comply.

1) A master sports wagering licensee's failure to comply with the provisions of this Section may subject the master sports wagering licensee to penalty and interest amounts pursuant to the Uniform Penalty and Interest Act [35 ILCS 735].

2) The Administrator is authorized to waive any penalty and interest for the late filing of a tax schedule or late tax payment, if the master sports wagering licensee can show good cause. "Good cause" shall include, but not be limited to, detection and correction of a deficiency in filing or payment that resulted from a documented inadvertent or unintentional error that was corrected within one business day after the applicable due date.

3) The master sports wagering licensee shall be notified by the Administrator in writing of any penalty or interest payable because of a late tax schedule filing or late tax payment.

4) The master sports wagering licensee may, within 10 business days after receiving the notice, file with the Administrator a written request for a waiver of any penalty or interest. The Administrator shall act on the request for waiver and notify the master sports wagering licensee in writing of the decision within 15 calendar days after receiving the request. If the Administrator fails to act within the 15 day period, the waiver is deemed granted.

5) If the Administrator denies the request for waiver, the master sports wagering licensee may ask the Board for a hearing. The request for hearing must be in writing and filed not later than 15 calendar days after

receipt of the notice of denial. Section 1900.110(b) does not apply to such a request.

6) Except as provided in this subsection, the provisions for hearings under Subpart H shall apply to any hearing conducted under this Section. The licensee has the burden of showing good cause by clear and convincing evidence.

Section 1900.1050 Reserve Requirements
EMERGENCY

A master sports wagering licensee shall maintain certain cash reserves or other means sufficient to protect wagerers against defaults on gaming debts owed by the master sports wagering licensee.

a) For the purposes of this Subpart, "cash equivalents" means all highly liquid investments with an original maturity of 3 months or less.

b) A master sports wagering licensee shall maintain a cash reserve equal to at least 20 percent of the total of all amounts in all sports wagering accounts, and cash equivalents equal or greater to the remaining amounts in all sports wagering accounts.

c) A master sports wagering licensee shall maintain a cash reserve equal to or greater than the amount of unredeemed or cancelled wagers that have been placed on all events whose outcome have already been determined and have not expired.

d) A master sports wagering licensee shall maintain guarantees equal to its theoretical maximum exposure. Such guarantees may be in the form of cash, cash equivalents, insurance, or other commercially reasonable means. Such other means may include, but are not limited to, layoff bets between master sports wagering licensees or personal guarantees by key persons.

e) Any cash, cash equivalent, or other means used for any purpose in this section may not be applied to other purposes, including other purposes within this section.

SUBPART K: CONDUCT OF WAGERING

Section 1900.1100 Commencement of Wagering

ILLINOIS GAMING BOARD

NOTICE OF EMERGENCY AMENDMENTS

EMERGENCY

a) No master sports wagering licensee shall commence its sports wagering operation without requesting and obtaining the approval of the Administrator.

b) The Administrator shall grant approval to commence sports wagering when the Administrator concludes that the master sports wagering licensee is in compliance with the Act and Rules, including the adoption of an approved internal control system in accordance with Section 1900.1510.

c) If the Administrator concludes that the master sports wagering licensee is not in compliance with the Act and Rules, the Administrator shall notify the licensee in writing, and identify the manner in which the licensee is deficient.

d) A master sports wagering licensee may request that the Administrator grant provisionary approval to commence sports wagering while the licensee is not fully compliant with the Act and Rules. Any such request must be in writing, and include the following:

1) An itemized description of the provisions of the Act or Rules with which the licensee is not in compliance;

2) A detailed explanation of the licensee's plans to come into compliance with each provision identified under paragraph (1), including dates certain by which such compliance will occur; and

3) A description of what steps the licensee shall take to minimize the risks to the integrity of the sports wagering operation during the period of time in which the licensee is not in compliance.

e) The Administrator may rescind provisionary approval to commence sports wagering for any just cause, including but not limited to:

1) Failure by the licensee to come into compliance by the dates identified by the licensee;

2) Failure by the licensee to comply with its stated risk mitigation plans;

3) Discovery of any other non-compliance by the licensee that was not disclosed in its request for provisionary approval;

4) Discovery of any fact sufficient to support a disciplinary action against the licensee or one or more of its key persons; or

5) A determination by the Administrator that continued operation is or may be injurious to the health, safety, morals, good order, or general welfare of the people of the State of Illinois.

Section 1900.1110 Temporary Suspension of Wagering
EMERGENCY

a) The Administrator may order a master sports wagering licensee to temporarily suspend sports wagering operations without prior notice or hearing if the Administrator:

1) Determines that the continuing operation of the sports wagering operation jeopardizes the safety or health of patrons or employees; or

2) Determines that the continuing operation of the sports wagering operation poses a significant, imminent danger to the integrity of sports wagering in Illinois;

b) The Administrator shall notify the master sports wagering licensee in writing of a temporary suspension. The notification shall include the following:

1) A detailed description of the facts and circumstances relied upon by the Administrator supporting the decision to suspend sports wagering operations;

2) Identification of any violations of provisions of the Act or Rules implicated by the described facts; and

3) Proposed corrective actions that, if undertaken by the licensee, would be sufficient to correct the conditions which necessitated the temporary suspension.

c) Notification of temporary suspension shall be served pursuant to Section 1900.160.

d) A licensee may submit a written request to the Board to modify or rescind the order of temporary suspension. The request must be submitted no later than 14 days prior to a regularly scheduled Board meeting. The request is not subject to Section 1900.110(b).

e) A licensee subject to an order of temporary suspension shall accept no wagers during the suspension period.

f) A licensee subject to an order of temporary suspension shall redeem wagers during the suspension period if so ordered by the Administrator.

g) An order of temporary suspension is for the protection of the public interest and is not disciplinary in nature. The issuance of an order of temporary suspension is not a final determination as to the merits of the alleged facts in the notice of suspension.

h) The Administrator shall rescind the order of temporary suspension upon determination that the licensee has taken sufficient corrective action that the continuing operation of the sports wagering operation no longer jeopardizes the safety or health of patrons or employees, nor poses a significant, imminent danger to the integrity of sports wagering in Illinois.

i) Rescission of an order of temporary suspension is not a final determination as to the merits of the alleged facts in the notice of suspension. A licensee may still be subject to discipline related to any alleged facts.

Section 1900.1120 Prohibited Wagering Activity
EMERGENCY

a) Persons prohibited from wagering.

1) No person under 21 years of age may place or redeem a wager.

2) No person not physically located in the State of Illinois may place a wager.

3) No person located outside a 5-block radius from a sports facility holding a master sports wagering license may place a wager with that master sports wagering licensee.

4) No person enrolled in the self-exclusion program may place or redeem a wager.

5) No athlete, competitor, referee, official, coach, manager, medical professional or athletic trainer or employee or contractor of a team or athletic organization who has access to nonpublic information concerning an athlete or team may engage in sports wagering on an event or the performance of an individual in an event in which the person is participating or otherwise has access to nonpublic or exclusive information.

6) No key person or employee of a master sports wagering licensee or management services provider licensee, or their spouse, parent, child, or household member, may place a wager with that master sports wagering licensee or a master sports wagering licensee for which the management services provider licensee is a designee.

b) The following wagers are prohibited:

1) Wagering on a minor league sports event;

2) Wagering on a sports event involving an Illinois collegiate team or individual competing through an Illinois collegiate program, provided that

A) This prohibition does not include wagering on the final outcome of a series or combination of sports events such as a tournament or season outcome which includes both Illinois and non-Illinois collegiate teams or individuals, so long as no wager is accepted on the Illinois participant; and

B) This prohibition does include any combination wager the outcome of which may be determined by the performance of an Illinois participant, including but not limited to:

i) Parlay bets in which a component contest involves an Illinois collegiate team or individual competing through an Illinois collegiate program; and

ii) Fantasy sports in which individuals competing through an Illinois collegiate program may be selected.

c) Wagering on any school-sponsored or affiliated sports event other than a collegiate event;

d) Wagering on any sports event or portion thereof where the majority of the participants are under 18 years of age;

e) Wagering on any sports event or portion thereof, or wagering by type or form, prohibited by the Board under Section 1900.1130; and

f) Wagering on behalf of a third party who is otherwise prohibited from wagering pursuant to the Act or Rules.

g) No master sports wagering licensee shall knowingly accept or redeem a prohibited wager.

h) A master sports wagering licensee has an affirmative duty to actively prevent the placement or redemption of a wager by individuals under the age of 21 years or enrolled in the self-exclusion program.

i) If a master sports wagering licensee discovers it has accepted a prohibited wager, it shall immediately notify the Administrator or his or her designee, and take commercially reasonable steps to notify the wagerer.

j) Any wager that was prohibited at the time it was made shall be deemed void.

k) If a wager is identified as void under this section prior to the commencement of any event or series of events on which the outcome of the wager is dependent, the amount of the wager shall be refunded by the master sports wagering licensee and deducted from the adjusted gross sports wagering receipts. If the void wager is not refunded prior to the expiration date of the wager, the amount of the wager shall be remitted to the Sports Wagering Fund and deducted from the adjusted gross sports wagering receipts.

l) If a wager is identified as void under this section after the commencement of any event or series of events on which the outcome of the wager is dependent, the amount of the wager shall be deducted from the adjusted gross sports wagering receipts and remitted to the Sports Wagering Fund, except for those wagers placed by an individual enrolled in the self-exclusion program.

Section 1900.1130 Requests to Prohibit
EMERGENCY

Pursuant to Section 25-15(g) of the Act, the Board may prohibit a type or form of wagering, or wagering on a specific sport, event, league, or competition that would otherwise be permitted under the Act and Rules, if it concludes the wagering in question would be contrary to public policy, unfair to consumers, or affects the integrity of a particular sport or the sports wagering industry.

a) A master sports wagering licensee, professional sports team, league, or association, sports governing body, institution of higher education, or the Administrator may submit to the Board a request to prohibit a type or form of wagering, or wagering on a specific sport, event, league or competition.

b) The request must be in writing, and shall include the following:

1) A detailed description of the type or form of wagering, or the sport, event, league, or competition; and

2) A detailed description of how the wagering in question is contrary to public policy, unfair to consumers, or affects the integrity of a particular sport or the sports wagering industry.

c) The Board shall post a copy of the request to its website for public review.

d) Licensees may submit comments or responses in writing to be considered by the Board. Any such comments or responses shall be submitted to the Board not later than 30 days after the request is posted.

e) All requests pursuant to this section shall be exempt from Section 1900.110(b).

f) If a request is for prohibition of wagering on a specific event, the Board shall decide upon the request prior to that event, unless the first regularly scheduled Board meeting after the conclusion of the comment period is scheduled to occur after the start of the event. In such a case, the Board shall decide upon the request at the first regularly scheduled Board meeting after the conclusion of the comment period.

g) If the Board grants the request, the type or form of wagering shall be deemed a prohibited wager, subject to the provisions of Section 1900.1120(b).

h) If the Board grants the request, any unredeemed wagers placed prior to the Board's decision shall be cancelled.

i) Temporary Suspension

1) On the date the request is posted or at any time thereafter, the Administrator may temporarily suspend wagering of the type or form of wagering identified in the request if the Administrator determines that the wagering poses a significant likelihood of serious risk to the integrity of sports wagering in Illinois or the public health, safety, morals, good order or general welfare of the people of the State of Illinois.

2) During the period of temporary suspension, no wagers of the type or form subject to the request may be placed or redeemed.

3) The Administrator may rescind the temporary suspension at any time.

4) The temporary suspension shall be rescinded upon issuance of a final Board order.

j) A master sports wagering licensee, professional sports team, league, or association, sports governing body, institution of higher education, or the Administrator may request that a prohibition previously instituted pursuant to this section be removed.

1) The Board shall post a copy of any such request to its website for public review.

2) The Board shall not vote to lift any prohibition until at least 30 days after the public posting of any such request.

Section 1900.1140 Authorized Events and Competitions
EMERGENCY

Pursuant to the Act, sports wagering may be permitted on *any other event or competition of relative skill authorized by the Board* [230 ILCS 45/25-10].

a) A master sports wagering licensee may submit to the Board in writing a request to permit wagering on a specific sport, event, league or competition of relative skill.

b) Prior to making a request to the Board, the master sports wagering licensee shall notify the organizer or governing body of the event or competition, if any, of the licensee's intent to make the request. Such notification shall include the address and phone number of the Illinois Gaming Board.

c) The request to the Board must be in writing, and shall include the following:

1) A detailed description of the sport, event, league, or competition;

2) Identification of any known or possible risks to integrity of the event or competition, and what steps the organizer or governing body of the event or competition has taken or will take to minimize those risks; and

3) A description of any communication or cooperation made or attempted between the master sports wagering licensee and the organizer or governing body, including a copy of any written response from the organizer or governing body to the notification by the licensee.

d) All requests pursuant to this section shall be exempt from Section 1900.110(b).

e) A representative of the licensee shall be present at the open meeting at which the Board considers the request.

f) The Board shall not grant a request to permit wagering less than 30 days after receiving the request.

Section 1900.1150 Placement of Wagers

ILLINOIS GAMING BOARD

NOTICE OF EMERGENCY AMENDMENTS

EMERGENCY

a) A master sports wagering licensee shall not accept any wager on any sports event, or of any type or kind, unless the type or kind of wager and subject of the wager has been documented in its internal control system.

b) A master sports wagering licensee shall always have the right to decline to accept any wager a patron attempts to place.

c) A master sports wagering licensee shall only accept wagers placed in United States currency. Sources of currency accepted by a master sports wagering licensee shall be documented in its internal control system.

d) A master sports wagering licensee bears the risk of ACH transfer or check insufficient funds, credit chargebacks, acceptance of counterfeit currency, or any other similar incident.

e) When a wager is placed in person through either a wagering kiosk or cashier, the patron shall be issued a ticket that meets all requirements of Section 1900.1420.

f) Master sports wagering licensees shall implement methods and procedures to detect and document abnormal or suspicious wagering activity. Such methods and procedures shall be documented in the internal control system.

g) Master sports wagering licensees shall not offer a loan, credit, or advancement of anything of value to any person to take part in sports wagering either directly or through a third party, unless the licensee holds an organization gaming license or owners license and is acting in accordance with 86 Ill. Adm. Code 3000.1050.

Section 1900.1160 Redemption of Wagers
EMERGENCY

a) A master sports wagering licensee shall redeem any winning ticket it has issued that has not expired.

b) A ticket shall expire one year after date of the conclusion of the sports event or combination of sports events that is the subject of the wager.

c) The proceeds of any winning ticket that expires shall be deposited into the Sports Wagering Fund and deducted from the adjusted gross sports wagering receipts in the same manner as a redeemed wager, pursuant to Section 1900.1040.

d) A master sports wagering licensee, other than one holding a license pursuant to Section 25-45 of the Act, shall provide for in-person redemption of winning wagers at least eight hours per day, five days per week.

e) All wagers shall be redeemed in United States currency. The currency amount may be provided to the patron in any form that has been documented in the internal control system, subject to the following minimum requirements:

1) Any redeemed wager for an amount of $1,000 or less shall provide the patron the option of receiving cash or chips issued by the master sports wagering licensee pursuant to an owners license or organizational gaming license.

2) Any redeemed wager for an amount greater than $1,000 shall provide the patron the option of receiving a check issued at the time of redemption.

f) A master sports wagering licensee shall verify the identity of any patron redeeming a wager for an amount of $500 or greater and check it against the self-exclusion program list.

Section 1900.1170 Cancelled or Void Wagers
EMERGENCY

a) A master sports wagering licensee shall not cancel any wager except in accordance with this section.

b) A master sports wagering licensee shall cancel a wager under the following circumstances:

1) Any wager where a sports event that is the subject of the wager is cancelled, or postponed or rescheduled to a different date prior to completion of the sports event;

2) Any tier 1 wager in a non-team event when an individual athlete or competitor fails to participate in a sports event and the outcome of the wager is solely based upon that one individual's performance;

3) Any tier 2 wager when an individual athlete or competitor fails to participate in a sports event and the outcome of the wager is solely based upon that one individual's performance; or

4) When ordered by the Administrator pursuant to this section.

c) A master sports wagering licensee may request the Administrator to order the cancellation of all wagers of a specific type, kind, or subject. A request to cancel shall be in writing, and contain the following:

1) A description of the type, kind, or subject of wager the licensee is requesting to cancel;

2) A description of any facts relevant to the request; and

3) An explanation why cancelling the wagers is in the best interests of the State of Illinois or ensures the integrity of the Illinois sports wagering industry.

d) The Administrator shall issue an order in writing granting or denying the request to cancel. In determining whether to grant or deny the request, the Administrator shall consider any relevant factors, including but not limited to the following:

1) Whether the alleged facts implicate the integrity of the sports event subject to the wager or the Illinois sports wagering industry;

2) Whether the alleged facts implicate possible illegal activity relating to the sports event or the Illinois sports wagering industry;

3) Whether allowing the wager would be unfair to wagering patrons; or

4) Whether allowing the wager is contrary to public policy.

e) No wager subject to the request to cancel shall be redeemed until the Administrator issues an order granting or denying the request to cancel.

f) If the Administrator grants the request to cancel, the master sports wagering licensee shall make commercially reasonable efforts to notify patrons of the cancellation.

g) The Administrator has discretion to order all master sports wagering licensees to cancel all wagers on a specific sports event or wagers of a specific type or kind on a specific sports event. In exercising his or her discretion, the Administrator shall apply the same factors described in paragraph (b).

h) Any cancelled wager shall be refunded upon request by a patron. The request must be made prior to the expiration of the original redemption period, and shall be deducted from adjusted gross sports wagering receipts.

i) At the expiration of any outstanding cancelled wager which has not been refunded, the original amount of the outstanding wager shall be deducted from adjusted sports wagering receipts and remitted to the Sports Wagering Fund.

j) A master sports wagering licensee may declare a wager to be void if the licensee has reasonable basis to believe there was obvious error in the placement or acceptance of the wager. Such errors include, but are not limited to:

1) The wager was placed with incorrect odds;

2) The ticket does not correctly reflect the wager; or

3) Equipment failure rendering a ticket unreadable.

k) If a wager is declared void pursuant to subsection (g), the wager shall be refunded to the patron and that amount shall be deducted from the adjusted gross sports wagering receipts.

l) A wager shall not be declared void pursuant to subsection (g) without the approval of a supervisory employee of the master sports wagering licensee.

m) All voided or cancelled wagers and all refunds of any voided or cancelled wager pursuant to any rule shall be logged at the time they occur.

n) A master sports wagering licensee shall provide a monthly summary report to the Board of all cancelled, voided, and refunded wagers in a manner or on such form as prescribed by the Administrator.

Section 1900.1180 General Conduct of Wagering
EMERGENCY

a) A wager placed pursuant to this Act is not transferrable between patrons, regardless of whether or not for value.

1) If a master sports wagering licensee has reason to believe a wager ticket has transferred, the licensee shall report it to the Administrator or his or her designee.

2) Prior to the redemption of a wager, if the Administrator or his or her designee determines that a wager ticket has been transferred, the Administrator or his or her designee may order that the specific wager be cancelled.

b) No employee or key person of any licensee shall advise or encourage an individual patron to place a specific wager of any specific type, kind, subject, or amount. This restriction does not prohibit general advertising or promotional activities.

c) Master sports wagering licensees must offer both sides of any wager where there are only two possible outcomes, including but not limited to:

1) Any tier 1 wager based on the final score or final outcome of a contest in which there are only two participating teams or individuals; or

2) Any tier 2 wager on whether a specific individual or team achieves a specific statistical outcome.

Section 1900.1190 House Rules
EMERGENCY

a) Each master sports wagering licensee shall provide upon request a copy of its house rules to any patron.

b) Each master sports wagering licensee shall conspicuously post a notice within view of any in-person betting location that copies of the house rules are available.

c) The house rules shall include, but not be limited to:

1) A description of each type or kind of wager;

2) A description of how winning wagers are determined, including data sources relied upon by the master sports wagering licensee;

3) An explanation of how to redeem winning wagers, and the expiration period for winning wagers;

4) A description of how and when wagers may be cancelled or voided, and the consequences thereof;

5) A list of all forms of currency the master sports licensee accepts for placement of wagers;

6) A list of all forms of payment in which a patron may have a winning wager redeemed;

7) Description of means by which a patron may submit a complaint to the master sports wagering licensee;

8) Instructions on how to commence enrollment in the self-exclusion program; and

9) Instructions on how to report prohibited conduct to the Board pursuant to Section 1900.410.

d) Each master sports wagering licensee shall submit a copy of its house rules document or any revision to its house rules to the Board at least 30 days prior to making them available to patrons.

SUBPART L: CONDUCT OF ONLINE WAGERING

Section 1900.1210 Internet Wagering – General
EMERGENCY

a) Internet wagering shall only be conducted between a master sports wagering licensee and a patron with a sports wagering account.

b) Internet wagering conducted by the holder of a master sports wagering license issued pursuant to Section 25-40 of the Act or its designee shall not occur greater than 3,300 feet from the nearest property line of the contiguous property on which the relevant sports facility is located.

c) A master sports wagering licensee shall implement methods or systems in the internet wagering system to detect unauthorized access to sports wagering accounts, fraud, theft, suspicious wagering activity, or other prohibited activity. Such methods shall be documented in the internal control system.

d) Proceeds of a winning wager shall be promptly deposited and reflected in the balance of a sports wagering account.

Section 1900.1220 Sports Wagering Accounts
EMERGENCY

a) Internet wagering shall only be engaged in by a patron through a sports wagering account established with a master sports wagering licensee.

b) In order to establish a sports wagering account, a master sports wagering licensee shall:

1) Create an electronic patron file, which shall include at a minimum:

A) Patron's legal name;

B) Patron's date of birth;

C) Entire or last four digits of the patron's Social Security number, if voluntarily provided, or equivalent for a foreign patron such as a passport or taxpayer identification number;

D) Account number;

E) Patron's residential address;

F) Patron's electronic mail address;

G) Patron's telephone number;

H) Any other information collected from the patron used to verify his or her identity;

I) Method used to verify the patron's identity;

J) Date of identity verification;

K) Patron's disclosure whether or not he or she is an athlete, competitor, referee, official, coach, manager, medical professional or athletic trainer or employee or contractor of a team or athletic organization.

2) Encrypt all of the following information contained in an electronic patron file:

A) Patron's Social Security Number or equivalent for a foreign patron such as a passport or taxpayer identification number;

B) Patron's passwords, answers to security questions, or similar; and

C) Patron's debit or credit card numbers, bank account numbers, or other personal financial information.

3) Verify the patron's identity either:

A) In person, by recording a signature and examining one government-issued photographic identification credential; or

B) Other methodology for remote multi-sourced authentication, which may include third-party or governmental databases, as described in the master sports wagering licensee's internal control system and approved by the Administrator.

C) Require the patron to establish a password and means of two-factor authentication, and provide a patron with the option to always require two-factor authentication;

D) Verify the patron is at least 21 years of age, not enrolled in the self-exclusion program, or otherwise prohibited from wagering with the master sports wagering licensee;

E) Record the patron's acceptance of any terms and conditions, which shall at minimum include the patron's acknowledgment of the Act and Rules;

F) Record the patron's certification that the information provided to the master sports wagering licensee by the patron is accurate;

G) Record the patron's acknowledgement that the legal age for sports wagering is 21 and that he or she is prohibited from allowing any other person to access or use his or her sports wagering account; and

H) Notify the patron of the establishment of the account via electronic or regular mail.

c) A patron shall have only one sports wagering account with each master sports wagering licensee. A sports wagering account shall be:

1) Non-transferable;

2) Unique to the patron who established the account; and

3) Distinct from any other account number that the patron may have established with the master sports wagering licensee.

d) A sports wagering account may only be funded through:

1) Credit or debit card in the name of the patron;

2) Deposit of United States currency by the patron at an in-person wagering location, including both cashiers or self-service kiosks;

3) Where the master sports wagering licensee is also an organization gaming licensee or owners licensee, through deposit of chips or other cash value vouchers issued pursuant to the organization gaming or owners license by the patron with a cashier at an in-person wagering location, if such practice is documented in both the master sports wagering license and owners license or organization gaming license internal controls;

4) Reloadable prepaid card if it has been verified by the master sports wagering licensee as being issued to the patron and non-transferrable;

5) ACH transfer;

6) Complimentary, reward, or promotional amounts;

7) Adjustments or refunds pursuant to the Rules.

e) Funds may be withdrawn from a sports wagering account for the following:

1) The placement of wagers;

2) Cash withdrawal from a cashier at an in-person wagering location;

3) Cash transfer to a patron's reloadable prepaid cash card, which has been verified by the master sports wagering licensee as being issued to the patron and is non-transferrable;

4) Cash transfer to a patron's individual account with a bank or other financial institution;

5) Cash withdrawal from a redemption kiosk up to $3,000;

6) Adjustments made pursuant to the Rules; or

7) Any other means in the approved internal control system.

f) Upon any deposit, withdrawal, or adjustment, the master sports wagering licensee shall send a confirmation email to the patron's registered address, and shall provide a means through which a patron may contest any transaction.

g) Adjustments shall only be made:

1) To correct an over or under payment to a sports wagering account due to error, regardless of whether the error was human or technological in nature; or

2) Due to a wager being canceled or deemed void;

h) All adjustments under $500 shall be periodically reviewed by supervisory personnel as set forth in the internal control system. All other adjustments shall be authorized by supervisory personnel prior to being entered.

i) Each master sports wagering licensee shall include a summary of all adjustments in its monthly reports pursuant to Section 1900.1020(b).

j) The internet wagering system shall provide an account statement to patrons on demand, which shall include detailed account activity for at least the six months preceding 24 hours prior to the request.

k) The internet wagering system shall annually and upon request provide a summary statement of all of a patron's activity during the past year. The annual statement shall be transmitted by email to the patron. The statement shall include at minimum:

1) Deposits to the sports wagering account;

2) Withdrawals from the sports wagering account;

3) Win or loss statistics;

4) Beginning and ending account balances; and

5) Responsible gaming limit history, if applicable.

6) A statement regarding obtaining assistance with gambling problems, the text of which shall be determined by rule by the Department of Human Services.

l) A master sports wagering licensee shall periodically verify a patron's identification upon reasonable suspicion that the patron's identification has been compromised.

m) An internet wagering system shall provide a conspicuous and readily accessible method for a patron to close his or her sports wagering account. Any remaining balance in the sports wagering account shall be refunded pursuant to the master sports wagering licensee's internal control system.

Section 1900.1230 Client Requirements
EMERGENCY

a) Client software shall not retain patron account data when not logged in and connected to the internet wagering system, including but not limited to, client identity, login information, financial data, or wagering information.

b) Prior to login by a patron, client software shall prominently display a statement regarding obtaining assistance with gambling problems, the text of which shall be determined by rule of the Department of Human Services.

c) The client shall require two-factor authentication when sports wagering account logs in through a specific device for the first time.

d) Client software shall give a patron prominent and convenient access to a support page, screen, menu, or equivalent, which at minimum contains access to the following:

1) Name and contact information of the master sports wagering licensee or designee, including at minimum a phone number, email address, and physical address;

2) Complete explanation of all wager types a patron may place through the internet wagering system;

3) Responsible gaming limit functionality pursuant to Section 1900.1250;

4) Means by which a patron can submit a complaint to the licensee;

5) Contact information for the Board, including at minimum a link to the Board website;

6) Terms of service; and

7) Instructions and means to close a sports wagering account.

e) When terms of service or rules for a type of wager change, the client shall require a patron to acknowledge acceptance of such change.

Section 1900.1240 Account Suspension
EMERGENCY

a) Internet wagering systems shall employ a mechanism to suspend sports wagering accounts.

b) A sports wagering account shall be suspended by a master sports wagering licensee:

1) When ordered by the Administrator or his or her designee during the pendency of any investigation;

2) Upon determination that a patron is prohibited from placing any wagers with that master sports wagering licensee pursuant to Section 1900.1120;

3) When a sports wagering account has a negative account balance;

4) When a master sports wagering licensee has reasonable suspicion of illegal activity or suspicious wagering activity.

c) When a sports wagering account is suspended, the internet wagering system shall:

1) Prevent the patron from wagering;

2) Prevent the patron from depositing funds, unless for the purpose of remedying a negative balance;

3) Prevent the patron from withdrawing or transferring funds, except where the only reason for suspension is that the patron is a prohibited person pursuant to Section 1900.1120;

4) Prevent the patron from making changes to the sports wagering account information;

5) Prevent the closure of the sports wagering account; and

6) Prominently display to the patron that the sports wagering account is suspended, the restrictions in place, and any further course of action needed to remove the suspension.

d) When a sports wagering account is suspended, the master sports wagering licensee shall notify the patron by email of the suspension. Such notification shall include the restrictions placed on the sports wagering account and any further course of action needed to remove the suspension.

e) A suspension may only be lifted:

1) by order of the Administrator or his or her designee;

2) if the patron is no longer a prohibited person; or

3) if any negative balance has been remedied.

Section 1900.1250 Responsible Gaming Limits
EMERGENCY

a) An internet wagering system shall permit a patron to voluntarily impose limitations or restrictions on wagers that can be placed through the internet wagering system.

b) The internet wagering system must allow a patron to implement prohibitions including but not limited to prohibitions on:

1) type or kind of wager;

2) subject of wager;

3) frequency of wagering;

4) dollar amount of wager;

5) prohibiting new deposits; or

6) all wagering.

c) Patrons shall be permitted to determine the length of time of the limitation, but no limitation shall be imposed for less than 72 hours or greater than one year.

d) Limitations or restrictions imposed under this section shall not be lifted prior to their expiration.

e) Upon the expiration of a limitation or restriction, the client shall notify the patron. The internet wagering system shall not accept wagers from the patron until the patron has acknowledged the notification. The notification shall give the patron the option to renew or extend the limitation.

f) The existence of any limitation or restriction shall not prevent a patron from withdrawing money from a sports wagering account or closing a sports wagering account.

g) If a patron has imposed any limitations or restrictions under this section, a master sports wagering licensee shall not send sports wagering related direct digital marketing or promotional materials to the patron, including but not limited to electronic mail or push notifications.

SUBPART M: TIER 2 WAGERING

Section 1900.1310 General
EMERGENCY

a) A master sports wagering licensee must document its sources for tier 2 data in its internal controls.

b) A master sports wagering licensee must document all types and kinds of tier 2 wagers it shall offer in its internal control system.

c) The following tier 2 wagers are prohibited:

1) Any wager on the individual performance of a minor;

2) Any wager on the injury of a competitor;

Section 1900.1320 Official League Data
EMERGENCY

a) For the purposes of this Subpart, "governing body" means any sports governing body, sports league, organization, or association headquartered in the United States.

b) A governing body shall notify the Board in writing of its intent to supply official league data to master sports wagering licensees pursuant to Section 25-25(g) of the Act only after the governing body or a vendor authorized by such governing body has been issued a tier 2 official league data provider license.

c) Notification by the governing body shall include:

1) Identification and contact information for at least one specific individual who will be the primary point of contact for issues related to provision of official league data and compliance;

2) If the governing body is not a licensee, identity of the vendor holding a tier 2 official league data provider license;

3) If the governing body is not a licensee, any contract between the governing body and the vendor holding a tier 2 official league data provider license;

4) If the governing body is a tier 2 official league data provider licensee, all contracts with master sports wagering licensees or applicants; and

5) A description of the data provided.

d) Upon receipt of notification, the Board shall electronically inform all master sports wagering licensees of the notification, including the date upon which all master sports wagering licensees are required to use official league data.

e) The Board shall maintain and publish a list of all governing bodies that provide official league data.

f) A governing body may rescind its notice at any time. Such rescission must be in writing to the Board and all master sports wagering licensees to whom the governing body or its vendor is currently providing official league data.

Section 1900.1330 Commercial Reasonableness
EMERGENCY

a) Governing bodies or their vendors providing official league data must do so on commercially reasonable terms.

b) A master sports wagering licensee may petition the Board for a determination that the terms under which official league data is being provided are not commercially reasonable.

c) Any petition under this Subpart shall be submitted electronically to the Board and to the tier 2 official league data provider licensee. The petition shall:

1) Identify the petitioning master sports wagering licensee, including name, address, and contact information for any legal counsel;

2) Identify the respondent tier 2 official league data provider licensee;

3) Include a complete copy of the contract or offer sheet the petitioner alleges to include the unreasonable terms;

4) Include any facts upon which the petitioner will rely to show that the terms of the contract or offer are not commercially reasonable;

5) Include a summary of the petitioner's argument as to why the terms of the contract or offer are not commercially reasonable;

6) Contain the verification in the following form:

"The undersigned certifies that the statements set forth in this request are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he/she verily believes the same to be true."

7) Be notarized.

d) If the Administrator determines that a petition does not meet all requirements of paragraph (c) of this section, that petition shall be rejected, and he or she shall notify the petitioner and respondent.

e) The respondent tier 2 official league data provider shall submit an answer electronically to the Board and to the petitioner within 21 days of submission of the petition.

f) Respondent's answer shall:

1) Identify the respondent, including name, address, and contact information of any legal counsel;

2) Include specific responses to any factual allegations made in the petition;

3) Include any additional facts upon which the respondent will rely;

4) Include a summary of the respondent's argument as to why the terms of the contract or offer are commercially reasonable;

5) Contain the verification in the following form:

"The undersigned certifies that the statements set forth in this request are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he/she verily believes the same to be true."

6) Be notarized.

g) Failure to submit an answer within 21 days, or failure to submit an answer that complies with all requirements of this section shall constitute an admission of all facts in the petition.

h) Upon receipt of a petition and answer that meet all requirements of this section, the Board shall appoint an Administrative Law Judge pursuant to Section 1900.825 of this Part to conduct a hearing.

i) All hearings shall be conducted under the same procedures as those under Subpart H, with the following exceptions:

1) The burden of proof is on the petitioner to show by a preponderance of the evidence that terms of the contract or offer are not commercially reasonable;

2) Any party may move that the Administrative Law Judge make a recommendation on the pleadings. In any such motion, all facts will be strictly construed against the movant. A recommendation to grant a motion on the pleadings shall be considered by the Board prior to any other proceedings on the merits;

3) Any oral argument of any substantive motion and any oral proceeding involving contested facts shall be recorded stenographically;

4) The Administrative Law Judge shall tender any recommendation to both parties electronically and simultaneously.

5) The petitioner shall compile the record. The record shall consist of the following:

A) The petition;

B) The answer;

C) All evidence tendered to the Administrative Law Judge;

D) A statement of matters officially noticed;

E) Any substantive motions, responses, and rulings;

F) All offers of proof, objections, and rulings;

G) All transcripts; and

H) The recommendation, any findings of fact, and any conclusions of law made by the Administrative Law Judge.

6) Within 5 days of receipt of any recommendation of the Administrative Law Judge, the petitioner shall compile the record and tender it electronically to the respondent and the Board.

7) Each party may file exceptions to the recommendation of the Administrative Law Judge with the Board, with a copy to the opposing party, no later than 14 days after the receipt of the recommendation of the Administrative Law Judge.

8) The non-prevailing party shall be liable for the costs of transcription and to the Board for administrative costs, unless the Board makes a finding in its final Board order that the non-prevailing party acted in good faith, in which case the costs shall be shared by both parties.

j) The Administrative Law Judge and the Board shall consider the following factors when determining whether the terms of a contract or offer are commercially reasonable:

1) Whether and to what extent the terms of the contract or offer are anticompetitive in nature;

2) Whether and to what extent the terms of the contract or offer are not economically feasible; and

3) Whether and to what extent the terms of the contract or offer are against the public interest of the State of Illinois.

SUBPART N: EQUIPMENT AND TESTING

Section 1900.1400 Technology Fee
EMERGENCY

ILLINOIS GAMING BOARD

NOTICE OF EMERGENCY AMENDMENTS

As deemed necessary by the Administrator, an applicant or licensee for a Master Sports Wagering license, Supplier license, Management Services Provider license or Tier 2 Official League Data Provider license may be billed directly or be required to reimburse the Board for any expenses, including any third party expenses, associated with the testing, certification, installation, training, review, or approval of sports wagering-related technology or technological enhancements to a sports wagering operation.

Section 1900.1410 Testing and Certification of Wagering Equipment EMERGENCY

a) All wagering equipment must be tested by an independent outside testing laboratory licensed pursuant to the Illinois Gambling Act and the rules promulgated thereunder [86 Ill. Adm. Code 3000.287] prior to sale or distribution by a supplier licensee.

b) All wagering equipment shall be tested by the independent outside testing laboratory in accordance with 86 Ill. Adm. Code 3000.288.

c) The Administrator shall review all wagering equipment for proper mechanical and electronic functioning, and consider the written test reports submitted by the independent outside testing laboratory.

d) After completing evaluations of the wagering equipment, the Administrator may certify the wagering equipment for use in Illinois.

e) Wagering equipment must be certified by the Administrator prior to use by a sports wagering operation.

f) The Administrator may suspend or revoke the certification of any wagering equipment without notice if the Administrator has good cause to believe the continued operation of the wagering equipment poses a threat to the security and integrity of the Illinois sports wagering industry.

g) The Administrator may issue temporary certification to any wagering equipment that has been previously tested and approved for operation in another jurisdiction similar to Illinois.

h) In determining whether to issue temporary certification, the Administrator shall consider any relevant factor, including but not limited to:

1) wagering equipment standards and testing in the other jurisdiction;

2) date of the most recent testing;

3) professional reputation and history of the supplier;

4) the best interests and needs of the Illinois sports wagering industry; and

5) whether issuing temporary certification would pose a threat to public confidence and trust in the Illinois sports wagering industry, or to the integrity and security of the Illinois sports wagering industry.

i) The Administrator may rescind temporary certification at any time for any just cause, including but not limited to the factors identified in paragraph (h).

j) Temporary certification shall expire after 90 days. The Administrator may renew any temporary certification for good cause shown.

Section 1900.1420 Wagering Equipment Requirements
EMERGENCY

a) General

1) Wagering equipment software shall contain sufficient information to identify the software and revision level of the information stored on the wagering equipment.

2) Wagering equipment able to accept or redeem wagers shall have the ability to authenticate that all critical components being used are valid upon installation of the software, each time the software is loaded for use, and upon manual request. Critical components include wagering data, elements that control communication with a sports wagering system, and any component necessary to conduct wagering or redemption through the device.

3) In the event of a failed authentication or other error, the wagering equipment shall cease accepting or redeeming wagers and display an appropriate error message.

4) Any wagering equipment shall electronically record all of the following information for each wager accepted:

A) Description of event;

B) Event identifying number;

C) Wager selection;

D) Type of wager;

E) Amount of wager;

F) Odds and payout of wager;

G) Date and time of wager; and

H) Unique wager identifier.

b) Kiosk and point of sale system requirements

1) Kiosks and point of sale devices shall have an identification badge affixed to the exterior of the device by the licensed supplier. The badge shall not be removable without evidence of tampering. The badge shall include the following minimum information:

A) The name and license number of the supplier;

B) A unique serial number;

C) Model number; and

D) Date of manufacture.

2) Hardware requirements

A) Any circuit board, including modifications, switches, or jumpers, shall be documented prior to certification by the Administrator.

B) Any reconfiguration of a circuit board, switch, or jumper shall constitute a different version of the wagering equipment.

C) Power and data cables shall be routed so that they are not accessible to the general public.

D) Wired communication ports shall be clearly labelled and must be securely housed within the device to prevent unauthorized access to ports or cable connectors.

E) Devices shall not be adversely affected, other than resets, by surges of dips of 20% or less of supply voltage.

F) Device power supplies shall be appropriately protected by fuses or circuit breakers.

G) Devices shall resist liquid spills.

3) Security requirements

A) Kiosks and point of sale devices shall be robust enough to resist forced entry into any secured doors, areas, or compartments without extreme force.

B) External doors shall be manufactured of materials that are suitable for allowing only legitimate access to the inside of the kiosk or device, and capable of withstanding determined and unauthorized efforts to gain access to the interior of the device.

C) The seal of the door of any locked area of a device shall be designed to resist the entry of objects.

D) Doors that provide access to secure areas of a kiosk or point of sale device shall be monitored by a door access detection system.

E) Any kiosk or point of sale device shall cease wagering operations when any secured area door is open.

4) Memory requirements

A) Nonvolatile memory shall be used to store all data elements that are considered vital to the continued operation of the kiosk or point of sale device, including device configuration and state of operations.

B) Nonvolatile memory shall not retain sensitive information outside of kiosk and point of sale device operations.

C) All devices shall have backup or archive capability for the recovery of nonvolatile memory should a failure occur.

D) Nonvolatile memory storage shall be maintained by a methodology that enables errors to be identified. Such methodology includes, but is not limited to, signatures, check sums, redundant copies, database error checks or other methods.

E) Comprehensive checks of critical nonvolatile memory data elements shall be made on startup.

F) An unrecoverable corruption of critical nonvolatile memory shall result in an error. Upon detection, the device software shall cease to function. Additionally, the critical nonvolatile memory error shall cause any communication external to the device to cease.

5) Software errors

A) After a program interruption, a point of sale device shall recover to the state it was in immediately prior to the interruption occurring.

B) After a program interruption, a kiosk shall recover to the state it was in immediately prior to the interruption, but shall not allow any further action by a patron without intervention by an attendant.

C) Any communications to an external device shall not begin until the program resumption routine, including any self-test, is completed successfully.

c) Tickets generated by a kiosk or point of sale device shall include all of the following information:

1) Name and address of the master sports wagering licensee;

2) A barcode or similar machine readable marking corresponding to a unique wager identifier;

3) Identification of the kiosk or point of sale device that dispensed the ticket;

4) If generated by a point of sale device, identification of the cashier;

5) Identification of the event and wager;

6) Amount of the wager;

7) Odds and payout upon winning;

8) Date and time of the generation of the ticket; and

9) Expiration date of the ticket.

d) Redemption requirements

1) Winning tickets shall be redeemed by a cashier through a point of sale device or by a redemption kiosk after verifying the validity of the ticket.

2) The point of sale device or kiosk shall electronically document the redemption of the wager, and record the following information:

A) Date and time of redemption; and

B) Serial number of the device or kiosk.

3) A redemption kiosk shall be capable of recognizing payment limitations or errors such as bill dispenser jams or insufficient funds. The redemption kiosk shall electronically record the error and issue an error receipt. The electronic record and error receipt shall include the following:

A) Date and time of the attempted redemption;

B) Serial number of the redemption kiosk;

C) Reason for the failure to redeem; and

D) The amount of money the kiosk failed to dispense.

4) If a ticket is unreadable or otherwise cannot be validated by a redemption kiosk, the kiosk shall return the ticket to the patron.

e) Error detection

1) A kiosk shall be capable of recognizing limitations or errors which render the kiosk not capable of operation or not capable of operation in accordance with the rules, including but not limited to:

A) Printer failure or jam;

B) Bill dispenser or acceptor jams;

C) Insufficient funds; or

D) Communications failure. The redemption kiosk shall electronically record the error and issue an error receipt. The electronic record and error receipt shall include the following.

2) A kiosk which detects any such error shall be automatically rendered inoperable until intervention by an attendant.

3) If any such error occurs during the processing of a transaction of any kind, the kiosk shall electronically record the error and issue an error receipt. The electronic record and error receipt shall include the following:

A) Date and time of the attempted redemption;

B) Serial number of the redemption kiosk;

C) The nature of the error; and

D) In the case of a redemption error, the amount of the redemption and amount of any currency dispensed.

Section 1900.1430 Internet Wagering System Requirements
EMERGENCY

a) A master sports wagering licensee conducting sports wagering over the internet shall use an internet wagering system, all the integral components of which have been tested and certified pursuant to Section 1900.1410.

b) An internet wagering system shall employ a mechanism to detect the physical location of a patron upon logging into the client, at the time of placement of a wager, and at a frequency to be specified in the master sports wagering licensee's internal control system.

c) An internet wagering system must have methods to detect and prevent efforts to defeat or circumvent the location detection mechanisms.

d) An internet wagering system shall not permit placement of wagers if it detects attempts to defeat or circumvent the location detection mechanisms.

e) Client software shall not engage in any other data collection other than that which is necessary for compliance with the Act and Rules, without the express approval of the Administrator.

f) Any data collected by the internet wagering system shall be considered confidential and shall not be disclosed except in accordance with this Part.

g) Data collected by client software shall not be used for any purpose other than compliance with the Act and Rules, and shall not be disclosed to any third party other than the Board, a licensed supplier of any component of the internet wagering system which collected the data, or a management services provider

licensee acting as the designee of the master sports wagering licensee that collected the data, unless:

1) Approved by the Administrator where the Administrator concludes that doing so would further the public interests of the people of the State of Illinois; or

2) As required pursuant to Section 1900.130.

h) Any data disclosed pursuant to this Part shall not include personally identifying information of wagering patrons unless deemed necessary for law enforcement or investigative purposes by the Administrator. Such determination shall be in writing.

i) Each master sports wagering licensee shall maintain modern best practices to ensure the security and integrity of the internet wagering system, including but not limited to:

1) Network security;

2) Patron identity authentication;

3) Location detection;

4) Error detection; and

5) Data security.

j) If a master sports wagering licensee becomes aware of a reproducible error in the internet wagering system that relates to network security, data security, location detection, or otherwise calls into question the security and integrity of the internet wagering system, the licensee shall notify the Board immediately. Such notification shall include:

1) A description of the error;

2) Risks created or imposed by the error; and

3) Efforts being taken by the master sports wagering licensee to prevent any impact to the security and integrity of the internet wagering system or sports wagering system.

Section 1900.1440 Transfer, Maintenance and Disposal of Wagering Equipment EMERGENCY

a) No supplier licensee shall sell, distribute, transfer or supply wagering equipment to any person in the State of Illinois other than the holder of a master sports wagering license, management services provider license, or supplier license.

b) No master sports wagering licensee or management services provider licensee shall sell, distribute, transfer or supply wagering equipment to any person in the State of Illinois other than an affiliated entity that holds a master sports wagering or management services provider license, or a holder of a supplier license.

c) Wagering equipment shall only be serviced or maintained by employees of a master sports wagering licensee, management services provider licensee, or supplier licensee.

d) The holder of a master sports wagering license or management services provider license shall only dispose of wagering equipment in a manner as prescribed in its approved internal control system, ensuring no critical or confidential data is retrievable after disposal.

Section 1900.1450 Sports Wagering System Requirements EMERGENCY

a) Each master sports wagering licensee shall operate a single sports wagering system through which all sports wagering activity is conducted and recorded.

b) At no cost to the Board, each master sports wagering licensee shall provide the Board remote, read only, real time access to the sports wagering system. Such access shall include, at minimum:

1) Complete access to all records of wagers, including canceled, voided, pending, and redeemed wagers;

2) Current and historical lines and odds;

3) Ability to query or sort wagering data; and

4) Ability to export wagering data in a non-proprietary format.

c) The sports wagering system shall have the capability to provide to a sports governing body real-time information regarding wagers placed on that sports governing body's events, when required under a request for cooperation pursuant to Section 1900.130. Such information shall include:

1) A record of all wagers placed;

2) Amount and type of wager;

3) Location the wager was placed if it was placed in person;

4) If the wager was placed via the internet wagering system, the internet protocol address;

5) If the wager was placed via the internet wagering system, geolocation data to the nearest quarter mile;

6) If the wager was placed via a sports wagering account, a unique, non-personally identifying account number; and

7) Any records of abnormal wagering activity identified by the master sports wagering licensee.

d) The Board may develop and implement a central sports wagering monitoring system for the purpose of compiling all sports wagering activity data from all master sports wagering licensees. In such event, each master sports wagering licensee shall provide all sports wagering activity data in a format compatible with the central sports wagering monitoring system.

e) All servers and backups shall be physically located in the State of Illinois within a designated gaming area.

f) Each master sports wagering licensee shall maintain modern best practices to ensure the security and integrity of the sports wagering system, including, but not limited to:

1) Physical security;

2) Access control;

3) Network security;

4) Resistance to manipulation;

5) Redundancy; and

6) Error detection.

g) A sports wagering system shall maintain records of all wagers for a period of not less than ten years.

h) A sports wagering system shall record at minimum the following information for each wager:

1) Description of event or contest;

2) Unique identifier for the event or contest;

3) Wager selection;

4) Type of wager;

5) Amount of wager;

6) Odds and amount of potential payout;

7) Date and time of wager;

8) Unique identifier for the wager;

9) Unique identifier of the sports wagering account or patron, if applicable;

10) Internet protocol address and geolocation information, if the wager is placed through a mobile device;

11) Unique identifier of the kiosk or point of sale device through which the wager was placed, if applicable;

12) Unique identifier of the kiosk or point of sale device through which the wager was redeemed, if applicable; and

13) Whether a wager was cancelled or voided, and the reason, if applicable.

i) A sports wagering system shall perform, at least once every 24 hours, a self-authentication process on all software used to offer, record and process wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, a master sports wagering licensee shall immediately notify the Board. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of not less than 90 days.

j) A master sports wagering licensee shall ensure the accuracy and timeliness of any data feeds used to offer or settle wagers. In the event that an incident or error occurs that results in a loss of communication with data feeds used to offer or redeem wagers, such error shall be recorded in a log capturing the date and time of the error, the nature of the error and a description of its impact on the system's performance. Such information shall be maintained for a period of not less than six months.

SUBPART O: INTERNAL CONTROLS

Section 1900.1500 General Requirements – Internal Control System
EMERGENCY

The holder of a master sports wagering license shall establish, maintain and update an internal control system, the purposes and the procedures of which shall be designed to reasonably ensure that:

a) Assets are safeguarded;

b) Financial records are accurate and reliable;

c) Transactions are performed only in accordance with the specific or general authorization of the holder of a master sports wagering license;

d) Transactions are recorded adequately to permit proper reporting of adjusted gross sports wagering receipts and of fees and taxes, to maintain accountability for assets, and in conformity with generally accepted accounting principles;

e) Access to assets is permitted only by authorized personnel;

f) Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies;

g) Functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel;

h) Sports wagering is conducted with integrity; and

i) The requirements of the Act and this Part are followed.

Section 1900.1510 Approval of Internal Control System
EMERGENCY

a) The Board has delegated to the Administrator responsibility for approving, on behalf of the Board, the internal control systems of master sports wagering licensees if the Administrator finds that the internal control system meets the requirements of Sections 1900.1500 and 1900.1520.

b) The internal control system of an applicant or licensee must be initially approved by the Administrator prior to the commencement of sports wagering operations.

c) Proposed changes to the internal control system must be submitted in writing to the Administrator for approval. No internal control system change may be implemented by the master sports wagering licensee unless approved by the Administrator.

d) A master sports wagering licensee that holds an organization gaming license or owners license may incorporate by reference any internal control system that has been approved pursuant to the Illinois Gambling Act and its adopted rules.

e) The holder of a master sports wagering license or management services provider license is subject to disciplinary action for violations of its internal control system.

f) Occupational licensees are subject to disciplinary action for the violation of a master sports wagering licensee's internal control system.

g) The internal control system of each master sports wagering licensee may be reviewed for compliance with the requirements of these rules by an independent certified public accountant selected by the Administrator. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Accounting Act.

Section 1900.1520 Minimum Standards for Internal Control Systems
EMERGENCY

a) The internal control system shall include a detailed narrative description of the master sports wagering licensee's sports wagering, administrative and accounting procedures, including without limitation separate sections comprehensively describing the specific procedures that the licensee will follow in meeting the requirements of Section 1900.1500. The procedures shall discuss at a minimum, when applicable, the topics listed in subsection (c).

b) The Administrator shall develop and publish, with input from master sports wagering licensees, Minimum Internal Control Standards (MICS) necessary to address the requirements in Section 1900.1500. All internal control systems shall address all topics covered in the MICS.

c) The MICS shall cover, without limitation, the following topics:

1) Submission, Approval, and Amendment of the Internal Control System

2) General and Administrative

3) Access Control:

A) General – Location and Access

B) Key Procedures

C) Data Access

4) Conduct of Wagering, including:

A) Wagering and Payout Procedures

B) Statistics

5) Rules of Wagering, including:

A) What May be Wagered Upon

B) Types of Wagers Offered

C) Establishing Lines or Payout Odds

6) Wagering Equipment, including:

A) Access and Computer Monitoring Procedures

B) Point of Sale Devices

C) Kiosks

D) Location, Conversion and Movement of Kiosks

E) Suspected Defective or Malfunctioning Equipment

7) Kiosk Fill and Counts, including:

A) Transportation of Fills/Collections

B) Counting and Recording Drops

8) Cashiering, including:

A) Fills and Payouts

B) Cage Accountability

C) Main Bank/Vault Accountability

9) Internet Wagering, including:

A) Sports Wagering Accounts

B) Identity Verification

C) Internet Wagering System Description, including:

i) Structural Overview

ii) Security and Integrity

iii) Upgrade and Improvement Plans

D) Identity Protection

E) Fraud Prevention

F) Contested Transaction Procedures

G) Patron Terms and Conditions

10) Accounting, including:

A) Accounting Records

B) Controls over Locked Accounting Box

C) Procedures for Monitoring and Reviewing Wagering Operations

D) Monthly Reporting Requirements

11) Suspicious Activity Reporting, including:

A) Financial Activity

B) Wagering Activity

12) Internal Audit, including:

A) Required Internal Audits

B) Reporting Guidelines

13) Surveillance, including:

A) Surveillance Room Access and Control

B) Surveillance System Description

14) Security, including:

A) Case Number System/Incident Reports

B) Lost Badges/Temporary Badges

C) Power Failure/Camera Outage

D) Enforcement of Wagering Restrictions/21 Years Old Minimum

E) Handling of Emergencies

SUBPART P: FACILITIES

Section 1900.1610 Wagering Locations
EMERGENCY

a) Sports wagers may be placed or redeemed at:

1) One or more fixed windows or counters through a clerk, cashier, or other employee; or

2) Self-service kiosks.

b) Fixed windows or counters. Fixed windows or counters with cashiers may be operated at any location within a gaming operation, racetrack facility, or sports facility operated by a master sports wagering licensee.

c) Kiosks.

1) Kiosks may be operated at any location within a gaming operation, racetrack facility, or sports facility operated by a master sports wagering licensee.

2) Kiosks must be supervised by an attendant at all times unless located inside the admissions turnstiles of a gaming operation or organization gaming facility.

3) When kiosks are not located inside the admissions turnstiles of a gaming operation or organization gaming facility, the attendant shall be responsible for verifying the age of wagerers.

4) Kiosks shall not accept wagers greater than $100 without intervention of an attendant.

5) Kiosks shall not redeem wagers greater than $500 without intervention of an attendant.

Section 1900.1620 Sports Facilities
EMERGENCY

Sports wagering conducted by the holder of a master sports wagering license issued pursuant to Section 25-40 of the Act may occur in person at or within a 5 block radius of a sports facility.

a) For the purposes of the Act, a 5-block radius" is defined as 3,300 feet.

1) For the purposes of in-person wagering, the distance shall be measured along public rights of way from the nearest property line of the contiguous property on which the sports facility is located to the farthest outside edge of any structure, building, facility, or business in which sports wagering is occurring.

2) Where in-person wagering is occurring within one unit of a multi-unit building, the distance shall be measured to the farthest outside edge of the unit.

3) For the purposes of mobile online wagering, the distance shall be measured as a straight line to the nearest property line of the contiguous property on which the sports facility is located.

b) A master sports wagering licensee licensed pursuant to Section 25-40 of the Act may conduct in-person sports wagering at or within a 5-block radius of the sports facility only if any and all professional sports teams that play their home contests at that sports facility provide written authorization. The home facility for a professional sports team shall be defined by the applicable sports governing body, but not to include temporary or special arrangements.

c) A master sports wagering licensee licensed pursuant to Section 25-40 of the Act may place sports wagering windows, counters, or kiosks at any location within the 5-block radius.

d) Any entity with which a master sports wagering licensee enters into an agreement related to in-person wagering within a 5-block radius of a sports facility shall be considered a key person under Section 1900.530, except in the case of a commercial real estate lessor.

e) All portions of a sports wagering operation conducted outside of the sports facility are still subject to all requirements and restrictions of those within the sports facility, including but not limited to:

1) Use of occupational licensees;

2) Security of the operation and the designated gaming area; and

3) Surveillance and monitoring requirements.

f) All in-person sports wagering conducted within the 5-block radius shall comply with local zoning restrictions and regulations.

Section 1900.1630 Inter-track Wagering Locations
EMERGENCY

a) A master sports wagering licensee licensed pursuant to Section 25-30 of the Act that also holds an inter-track wagering location license may conduct in-person sports wagering at up to three inter-track wagering locations associated with its inter-track wagering location license.

b) Any sports wagering windows, counters, or kiosks operated pursuant to this section shall be located entirely within an inter-track wagering location.

c) A master sports wagering licensee that conducts or intends to conduct sports wagering operations at an inter-track wagering location shall disclose any contracts or agreements with the inter-track wagering location prior to commencing sports wagering operations at that location.

d) An inter-track wagering location at which a master sports wagering licensee conducts sports wagering operations shall be considered a key person under Section 1900.530 of this Part.

e) All portions of a sports wagering operation conducted at an inter-track wagering location are subject to all requirements and restrictions of this Part, including but not limited to:

1) Use of occupational licensees;

2) Security of the operation and the designated gaming area; and

3) Surveillance and monitoring requirements.

f) All in-person sports wagering conducted at an inter-track wagering location shall comply with local zoning restrictions and regulations.

Section 1900.1640 Surveillance Requirements
EMERGENCY

a) All equipment that is used to monitor or record must remain solely accessible to the surveillance personnel and be exclusively for sports wagering operation surveillance, except when such equipment is being repaired or replaced.

b) The interior of the surveillance room shall not be visible to the public.

c) Each surveillance room shall have a minimum of four monitors, with appropriate switching capability to ensure that all surveillance cameras are accessible.

d) The Board and its agents shall at all times be afforded immediate access to the surveillance room and all records relating to such surveillance.

e) The master sports wagering licensee shall provide to the Board real time remote access to the surveillance system.

f) A master sports wagering licensee shall maintain a surveillance log of all surveillance activities in the surveillance room. The log shall be maintained by surveillance room personnel, and include the following:

1) All persons entering and exiting the surveillance room;

2) Summary, including date, time and duration, of the surveillance; and

3) Record of any equipment or camera malfunctions.

g) All recordings shall be retained as provided in the records retention schedule pursuant to Section 1900.330 and shall be listed on a log by surveillance personnel with the date, times, and identification of the person monitoring the recording. Original recordings will be released to the Board upon demand.

h) Any recording that records illegal or suspected illegal activity or suspicious wagering activity shall, upon completion of the recording, be transferred to a read-only, non-erasable format approved by the Administrator. The recording shall be placed in a separate, secure area and notification given to the Administrator or his or her designee.

i) The viewing of any surveillance recording other than by Illinois Gaming Board staff or designated surveillance employees of a master sports wagering licensee is prohibited unless specifically approved by the Administrator or his or her designee, or pursuant to a lawful subpoena.

j) At various times, all surveillance equipment shall be subject to Board testing of minimum standards of resolution and operation. Any malfunction of surveillance equipment shall necessitate the immediate replacement or repair.

k) Any master sports wagering licensee which also holds an organization gaming license or owners license may integrate its surveillance system with the surveillance system required by the Illinois Gambling Act and the associated rule provisions, provided the surveillance system meets the standards of this subpart.

Section 1900.1650 Required Surveillance Equipment
EMERGENCY

A master sports wagering licensee shall install and maintain a closed circuit television system in accord with the specifications herein and shall provide access to the system or its signal by the Board upon request. The closed circuit television must meet or exceed the following specifications:

a) Solid state, color cameras, ⅔, ½, ⅓ or ¼ format, with minimum 400 plus line resolution, installed in fixed positions with matrix control and/or with pan, tilt and zoom capabilities, secreted from public and non-surveillance personnel view to effectively and clandestinely monitor in detail, from various vantage points, the following:

1) All sports wagering transactions occurring at counters, windows, or kiosks;

2) The count processes conducted in any count rooms;

3) All portions of the designated gaming areas and any portions of the facility immediately adjoining the designated gaming area;

4) The area immediately surrounding any kiosk or redemption machine;

5) The movement of cash or cash equivalents within the designated gaming area or between the designated gaming area and any kiosk or redemption machine;

6) The entrance and exits to any designated gaming area; and

7) Such other areas as the Administrator designates.

b) All closed circuit cameras equipped with lenses of sufficient magnification to allow the operator to clearly distinguish the value of cash used in any transaction.

c) Video monitors that meet or exceed the resolution requirement for video cameras with solid state circuitry, and time and date insertion capabilities for recording what is being viewed by any camera in the system. Each video monitor screen must measure diagonally at least 12 inches and all controls must be front mounted.

d) Video printers capable of adjustment and possessing the capability to generate instantaneously, upon command, a clear, color copy of the image depicted on the recording.

e) Date and time generators based on a synchronized, central or master clock, and visible on any monitor and when recorded.

f) Wiring to prevent tampering. The system must be supplemented with a back-up gas/diesel generator power source that is automatically engaged in case of a power outage and capable of returning to full power within seven to ten seconds.

g) An additional uninterrupted power supply system so that time and date generators remain active and accurate, and switching gear memory and video surveillance is continuous.

h) Video switchers capable of both manual and automatic sequential switching for the appropriate cameras.

i) Licensees shall utilize digitally recorded channels and must provide the IGB with the necessary software to review digitally recorded information.

j) All digital channels record at a minimum of 10 per second, or 30 frames per second when recording transactions. Such systems must allow the secure and audited export of video files at the resolution originally recorded, including the capability of providing watermarked recordings or non-editable formatting to insure the integrity of the recorded images.

k) All digital recording systems shall be on a secure network independent and separated from any sports wagering systems or related information technology.

l) Audio capability in areas where transactions occur, including at kiosks.

m) Adequate lighting in all areas where camera coverage is required. The lighting shall be of sufficient intensity to produce clear recording and still picture production, and correct color correction. The video must demonstrate a clear picture in existing light under normal operating conditions.

Section 1900.1660 Signage
EMERGENCY

a) Problem Gambling

1) Each master sports wagering licensee shall post signs with a statement regarding obtaining assistance with problem gambling.

2) The text of the signs shall be submitted to the Administrator for approval.

3) The text must at minimum include text materially consistent with that determined by rule by the Department of Human Services.

4) The text must include instruction on accessing the Illinois Gaming Board self-exclusion program.

5) The signs must be conspicuously posted and visible from any kiosk or wagering location not located within the admissions turnstiles of a gambling facility or organization gaming facility.

b) Under 21

1) Each master sports wagering licensee shall post signs stating individuals must be aged 21 years or older to place sports wagers.

2) The text of the signs shall be submitted to the Administrator for approval.

3) The signs must be conspicuously posted and visible from any kiosk or wagering location not located within the admissions turnstiles of a gambling facility or organization gaming facility.

SUBPART Q: SELF-EXCLUSION

ILLINOIS GAMING BOARD

NOTICE OF EMERGENCY AMENDMENTS

Section 1900.1710 Self-Exclusion Program
EMERGENCY

a) For the purposes of this Part, "Self-Exclusion List" means the list established pursuant to 86 Ill. Adm. Code 3000.750 and governed by Subpart G of Part 3000 of Title 86 of the Illinois Administrative Code.

b) Any individual who acknowledges that he or she has a gambling problem may request of the Board that he or she be excluded from participation in sports wagering in Illinois by placing himself or herself on the Self-Exclusion List.

c) Any individual on the Self-Exclusion List shall be subject to this Subpart.

Section 1900.1720 Distribution and Availability of Confidential Self-Exclusion List
EMERGENCY

a) Upon placement on the Self-Exclusion List by the Administrator, the name and identifying information of the self-excluded person shall be distributed to each master sports wagering licensee.

b) No licensee may disclose the name of any person on the Self-Exclusion List to any third party unless specifically authorized by rule or required by a court order specifically requiring the release of mental health records and information.

c) No licensee, applicant, or key person who obtains identifying information about a person on the Self-Exclusion List from any source may disclose the name or identifying information of the self-excluded person, except as necessary to effectuate, or as specifically permitted by this Part.

d) Any licensee, applicant, or key person who knowingly discloses, authorizes disclosure, permits a disclosure, or otherwise assists in the disclosure of the identity of a person on the Self-Exclusion List shall be subject to discipline for each disclosure, including but not limited to any disclosure by any of its officers, directors, employees, attorneys, agents and contractors, unless the disclosure complies with the following provisions:

1) The disclosure is made on the same need to know basis restriction applicable to mental health information to staff for the sole purpose of effectuating the approved internal control responsibilities.

2) The disclosure is made for the sole purpose of effectuating the Self-Exclusion program and this Part as to any customer tracking system, customer identification system, sports wagering system, internet wagering system, or any other financial transactions system.

3) The disclosure is made in compliance with the approved internal controls.

e) Disclosure may be made to affiliate gaming entities with the prior written approval of the Administrator. A licensee seeking such approval must provide to the Administrator an explanation of the manner in which the identity of the self-excluded persons will be maintained confidentially by the affiliate gaming operations.

f) Nothing in this Section prohibits disclosure of the name of a person on the Self-Exclusion List to the Board or its staff or to a person authorized in writing by the self-excluded person on the Self-Exclusion List to receive such information.

Section 1900.1730 Duties of Licensees Regarding Self-Excluded Persons
EMERGENCY

a) A master sports wagering licensee shall cause the name, address, and birthdate of any person on the Self-Exclusion List to be flagged on all mailing, marketing or promotional lists or databases, except as provided in this Part.

b) A master sports wagering licensee shall not send marketing or promotional materials to any person placed on the Self-Exclusion List.

c) A master sports wagering licensee shall maintain a system designed to detect persons on the Self-Exclusion List so as to enforce this Part.

d) A master sports wagering licensee shall not cash checks for, extend credit to, or otherwise assist a person on the Self-Exclusion List to obtain funds for gambling purposes.

e) A master sports wagering licensee shall not accept a wager of $100 or greater without first verifying the identity of the patron against the Self-Exclusion List.

f) A master sports wagering licensee shall not redeem a wager of $500 or greater without first verifying the identity of the patron against the Self-Exclusion List.

g) A master sports wagering licensee that holds an owners license or organization gaming license shall provide a means by which an individual on the Self-Exclusion List may turn in unredeemed tickets prior to the commencement of a sports event to obtain refunds pursuant to Section 1900.1740.

h) For any master sports wagering licensee that conducts internet wagering:

1) The licensee shall not allow an individual on the Self-Exclusion List to open a new sports wagering account;

2) The licensee shall identify and suspend any sports wagering account of any individual on the Self-Exclusion List;

3) The licensee shall void all outstanding wagers; and

4) The licensee shall refund any remaining balance to the patron in a manner consistent with the licensee's internal control system.

Section 1900.1740 Effect of Enrollment
EMERGENCY

a) An individual on the Self-Exclusion List shall be prohibited from placing or redeeming wagers.

b) Any wager placed by an individual on the Self-Exclusion List prior to enrollment in the self-exclusion program shall be deemed void.

c) An individual who enrolls in the self-exclusion program may, at the time of enrollment or any time thereafter, return any in-person wagering ticket to the master sports wagering licensee that issued it to obtain a refund of the original wager amount, provided such refund occurs prior to the commencement of any event or series of events on which the outcome of the wager is dependent.

d) If, after the commencement of any event or series of events on which the outcome of the wager is dependent, a wager is identified as having been placed by an individual on the Self-Exclusion list, that wager shall be deemed void. The original amount of the wager shall be deducted from the adjusted gross sports wagering receipts and forfeited by the individual, to be donated to the charitable or government agency identified by the individual at the time of his or her placement on the Self-Exclusion List.

e) An individual on the Self-Exclusion List may not open a new sports wagering account.

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF PEREMPTORY AMENDMENT

1) Heading of the Part: Pay Plan

2) Code Citation: 80 Ill. Adm. Code 310

3) Section Number: 310.Appendix A Table T
Peremptory Action: Amendment

4) Reference to the Specific State or Federal Court Order, Federal Rule or Statute which Requires this Peremptory Rulemaking: The Department of Central Management Services (CMS) is amending the Pay Plan (80 Ill. Adm. Code 310) Section 310.Appendix A Table T to reflect the Agreement by and between the Illinois Federation of Teachers, AFL-CIO Local #919 and the State of Illinois Department of Central Management Services and the Department of Human Services, Office of Rehabilitation Services July 1, 2019 through June 30, 2023 signed January 2, 2020. The Agreement shall be effective as of July 1, 2029 and shall remain in full force and effect from said date until midnight June 30, 2023, and it shall be automatically renewed from year to year, thereafter, unless either party notifies the other, in writing at least sixty days prior to June 30, 2023, or the anniversary date of such yearly extension of a desire to amend or terminate it.

5) Statutory Authority: Authorized by Sections 8, 8a and 9(7) of the Personnel Code [20 ILCS 415/8, 20 ILCS 415/8a and 20 ILCS 415/9(7)], subsection (d) of Section 1-5 of the Illinois Administrative Procedure Act [5 ILCS 100/1-5(d)] and by Sections 4, 6, 15 and 21 of the Illinois Public Labor Relations Act [5 ILCS 315/4, 5 ILCS 315/6, 5 ILCS 315/15 and 5 ILCS 315/21].

6) Effective Date: January 31, 2020

7) A Complete Description of the Subjects and Issues Involved: In Section 310.Appendix A Table T, new rate tables and Notes are added. The pay provisions in the Agreement or its attached agreements newly contained in the Notes include: Employer; Staff Meetings; Individual Education Program (IEP) and Evaluation Report (ER); Required Meeting; Free Lunch; Professional Meeting; Timer or Scorekeeper; Paid Time Off for Union Business, General Provisions; Paid Time Off for Union Business, Time Off for Labor/Management Meetings; Paid Time Off for Union Business, Time Off for Union Meetings, Caucuses, or Conventions; Paid Time Off for Union Business, Limitations on Time Off for Labor/Management Meetings; Paid Time Off for Union Business, Union Representation at Employee Orientation Meeting; Suspension Pending Discharge; Class Size; Substitute Teachers; Fitness for Duty; On-the-job Injury; Leave for Military Physical Examinations; Court Appearances; Administrative Certification;

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF PEREMPTORY AMENDMENT

Maternity/Paternity Leave; Bereavement Leave; Change in Steps, Satisfactory Performance Increase; Change in Steps, Withholding Satisfactory Performance Increase; Change in Steps, Redetermination; General Increases; Change in Educational Pay Lanes; Holiday Pay; Vacation Pay; Summer Employment; Payment for Specified Extracurricular Activities; School Improvement Pay; 180 Day Rate Pay Calculation; and 2015-2019 Salary History. The added rate tables are effective August 16, 2019 with no rate change, January 1, 2020, August 16, 2020, August 16, 2021, and August 16, 2022. The July 1, 2015 rate table remains to account for the rates effective at the beginning of the fiscal year 2020, prior to August 16, 2019. Frozen Step Increases and FY2016 Bonus, Merit Incentive Program and Gain Sharing Program Notes that are no longer in effect are removed.

8) Does this rulemaking contain an automatic repeal date? No

9) Date Filed with the Index Department: January 31, 2020

10) This and other Pay Plan amendments are available in the Division of Technical Services of the Bureau of Personnel.

11) Is this in compliance with Section 5-50 of the Illinois Administrative Procedure Act? Yes

12) Are there any other rulemakings pending on this Part? Yes

Section Numbers:	Proposed Actions:	*Illinois Register* Citations:
310.47	Amendment	43 Ill. Reg. 13835; December 6, 2019
310.50	Amendment	43 Ill. Reg. 13835; December 6, 2019
310.100	Amendment	43 Ill. Reg. 13835; December 6, 2019
310.260	Amendment	43 Ill. Reg. 13835; December 6, 2019
310.460	Amendment	43 Ill. Reg. 13835; December 6, 2019
310.490	Amendment	43 Ill. Reg. 13835; December 6, 2019
310.500	Amendment	43 Ill. Reg. 13835; December 6, 2019
310.530	Amendment	43 Ill. Reg. 13835; December 6, 2019
310.550	New Section	43 Ill. Reg. 13835; December 6, 2019
310.560	Repealed	43 Ill. Reg. 13835; December 6, 2019
310.570	Repealed	43 Ill. Reg. 13835; December 6, 2019
310.APPENDIX D	Amendment	43 Ill. Reg. 13835; December 6, 2019
310.APPENDIX G	Amendment	43 Ill. Reg. 13835; December 6, 2019

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13) Statement of Statewide Policy Objective: The amendments to the Pay Plan affect only the employees subject to the Personnel Code and do not set out any guidelines that affect local or other jurisdictions in the State.

14) Information and questions regarding this peremptory rule shall be directed to:

Ms. Lisa Fendrich
Compensation Section
Division of Technical Services
Bureau of Personnel
Department of Central Management Services
504 William G. Stratton Building
Springfield IL 62706

217/782-7976
fax: 217/524-4570
CMS.PayPlan@Illinois.gov

The full text of the Peremptory Amendment begins on the next page:

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TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES
SUBTITLE B: PERSONNEL RULES, PAY PLANS, AND POSITION CLASSIFICATIONS
CHAPTER I: DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

PART 310
PAY PLAN

SUBPART A: NARRATIVE

Section
310.20 Policy and Responsibilities
310.30 Jurisdiction
310.40 Pay Schedules
310.45 Comparison of Pay Grades or Salary Ranges Assigned to Classifications
310.47 In-Hire Rate
310.50 Definitions
310.60 Conversion of Base Salary to Pay Period Units
310.70 Conversion of Base Salary to Daily or Hourly Equivalents
310.80 Increases in Pay
310.90 Decreases in Pay
310.100 Other Pay Provisions
310.110 Implementation of Pay Plan Changes (Repealed)
310.120 Interpretation and Application of Pay Plan
310.130 Effective Date
310.140 Reinstitution of Within Grade Salary Increases (Repealed)
310.150 Fiscal Year 1985 Pay Changes in Schedule of Salary Grades, effective July 1, 1984 (Repealed)

SUBPART B: SCHEDULE OF RATES

Section
310.205 Introduction
310.210 Prevailing Rate
310.220 Negotiated Rate
310.230 Part-Time Daily or Hourly Special Services Rate (Repealed)
310.240 Daily or Hourly Rate Conversion
310.250 Member, Patient and Inmate Rate
310.260 Trainee Rate

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310.270 Legislated Rate (Repealed)
310.280 Designated Rate
310.290 Out-of-State Rate (Repealed)
310.295 Foreign Service Rate (Repealed)
310.300 Educator Schedule for RC-063 and HR-010
310.310 Physician Specialist Rate
310.320 Annual Compensation Ranges for Executive Director and Assistant Executive Director, State Board of Elections (Repealed)
310.330 Excluded Classes Rate (Repealed)

SUBPART C: MERIT COMPENSATION SYSTEM

Section
310.410 Jurisdiction
310.415 Merit Compensation Salary Range Assignments
310.420 Objectives
310.430 Responsibilities
310.440 Merit Compensation Salary Schedule
310.450 Procedures for Determining Annual Merit Increases and Bonuses
310.455 Intermittent Merit Increase (Repealed)
310.456 Merit Zone (Repealed)
310.460 Other Pay Increases
310.470 Adjustment
310.480 Decreases in Pay
310.490 Other Pay Provisions
310.495 Broad-Band Pay Range Classes
310.500 Definitions
310.510 Conversion of Base Salary to Pay Period Units (Repealed)
310.520 Conversion of Base Salary to Daily or Hourly Equivalents
310.530 Implementation
310.540 Annual Merit Increase and Bonus Guidechart
310.550 Fiscal Year 1985 Pay Changes in Merit Compensation System, effective July 1, 1984 (Repealed)
310.560 Merit Incentive Program
310.570 Gain Sharing Program

SUBPART D: FROZEN NEGOTIATED-RATES-OF-PAY DUE TO FISCAL YEAR APPROPRIATIONS AND EXPIRED SALARY SCHEDULES IN COLLECTIVE BARGAINING UNIT AGREEMENTS

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Section
310.600 Jurisdiction (Repealed)
310.610 Pay Schedules (Repealed)
310.620 In-Hiring Rate (Repealed)
310.630 Definitions (Repealed)
310.640 Increases in Pay (Repealed)
310.650 Other Pay Provisions (Repealed)
310.660 Effective Date (Repealed)
310.670 Negotiated Rate (Repealed)
310.680 Trainee Rate (Repealed)
310.690 Educator Schedule for Frozen RC-063 and Frozen HR-010 (Repealed)

310.APPENDIX A Negotiated Rates of Pay
310.TABLE A RC-104 (Conservation Police Supervisors, Illinois Fraternal Order of Police Labor Council)
310.TABLE B VR-706 (Assistant Automotive Shop Supervisors, Automotive Shop Supervisors and Meat and Poultry Inspector Supervisors, Laborers' − ISEA Local #2002)
310.TABLE C RC-056 (Site Superintendents and Departments of Veterans' Affairs, Natural Resources, Human Services and Agriculture and Historic Preservation Agency Managers, IFPE)
310.TABLE D HR-001 (Teamsters Local #700)
310.TABLE E RC-020 (Teamsters Locals #330 and #705)
310.TABLE F RC-019 (Teamsters Local #25)
310.TABLE G RC-045 (Automotive Mechanics, IFPE)
310.TABLE H RC-006 (Corrections Employees, AFSCME)
310.TABLE I RC-009 (Institutional Employees, AFSCME)
310.TABLE J RC-014 (Clerical Employees, AFSCME)
310.TABLE K RC-023 (Registered Nurses, INA)
310.TABLE L RC-008 (Boilermakers)
310.TABLE M RC-110 (Conservation Police Lodge) (Repealed)
310.TABLE N RC-010 (Professional Legal Unit, AFSCME)
310.TABLE O RC-028 (Paraprofessional Human Services Employees, AFSCME)
310.TABLE P RC-029 (Paraprofessional Investigatory and Law Enforcement Employees, Meat and Poultry Inspectors and Meat and Poultry Inspector Trainees, IFPE)
310.TABLE Q RC-061 (Conservation Police Officer Trainees and Conservation Police Officer I's and II's, Illinois Fraternal Order of Police Labor Council)

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310.TABLE R RC-042 (Residual Maintenance Workers, AFSCME)
310.TABLE S VR-704 (Departments of Corrections, Financial and Professional Regulation, Juvenile Justice and State Police Supervisors, Laborers' – ISEA Local #2002)
310.TABLE T HR-010 (Teachers of Deaf, IFT)
310.TABLE U HR-010 (Teachers of Deaf, Extracurricular Paid Activities)
310.TABLE V CU-500 (Supervisory Employees in Corrections and Juvenile Justice, AFSCME)
310.TABLE W RC-062 (Technical Employees, AFSCME)
310.TABLE X RC-063 (Professional Employees, AFSCME)
310.TABLE Y RC-063 (Educators, Juvenile Justice School Counselors and Special Education Resources Coordinators, AFSCME)
310.TABLE Z RC-063 (Physicians, AFSCME)
310.TABLE AA NR-916 (Departments of Central Management Services, Natural Resources and Transportation, Teamsters)
310.TABLE AB RC-150 (Public Service Administrators Option 6, AFSCME) (Repealed)
310.TABLE AC RC-036 (Public Service Administrators Option 8L Department of Healthcare and Family Services, INA)
310.TABLE AD RC-184 (Blasting Experts, Blasting Specialists and Blasting Supervisors Department of Natural Resources, SEIU Local 73)
310.TABLE AE RC-090 (Internal Security Investigators, Metropolitan Alliance of Police Chapter 294) (Repealed)

310.APPENDIX B Frozen Negotiated-Rates-of-Pay (Repealed)

310.TABLE A Frozen RC-104-Rates-of-Pay (Conservation Police Supervisors, Laborers' – ISEA Local #2002) (Repealed)
310.TABLE C Frozen RC-056-Rates-of-Pay (Site Superintendents and Departments of Veterans' Affairs, Natural Resources, Human Services and Agriculture and Historic Preservation Agency Managers, IFPE) (Repealed)
310.TABLE H Frozen RC-006-Rates-of-Pay (Corrections Employees, AFSCME) (Repealed)
310.TABLE I Frozen RC-009-Rates-of-Pay (Institutional Employees, AFSCME) (Repealed)
310.TABLE J Frozen RC-014-Rates-of-Pay (Clerical Employees, AFSCME) (Repealed)
310.TABLE K Frozen RC-023-Rates-of-Pay (Registered Nurses, INA) (Repealed)
310.TABLE M Frozen RC-110-Rates-of-Pay (Conservation Police Lodge) (Repealed)

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310.TABLE N	Frozen RC-010 (Professional Legal Unit, AFSCME) (Repealed)
310.TABLE O	Frozen RC-028-Rates-of-Pay (Paraprofessional Human Services Employees, AFSCME) (Repealed)
310.TABLE P	Frozen RC-029-Rates-of-Pay (Paraprofessional Investigatory and Law Enforcement Employees, IFPE) (Repealed)
310.TABLE R	Frozen RC-042-Rates-of-Pay (Residual Maintenance Workers, AFSCME) (Repealed)
310.TABLE S	Frozen VR-704-Rates-of-Pay (Departments of Corrections, Financial and Professional Regulation, Juvenile Justice and State Police Supervisors, Laborers' – ISEA Local #2002) (Repealed)
310.TABLE T	Frozen HR-010-Rates-of-Pay (Teachers of Deaf, IFT) (Repealed)
310.TABLE V	Frozen CU-500-Rates-of-Pay (Corrections Meet and Confer Employees) (Repealed)
310.TABLE W	Frozen RC-062-Rates-of-Pay (Technical Employees, AFSCME) (Repealed)
310.TABLE X	Frozen RC-063-Rates-of-Pay (Professional Employees, AFSCME) (Repealed)
310.TABLE Y	Frozen RC-063-Rates-of-Pay (Educators and Educator Trainees, AFSCME) (Repealed)
310.TABLE Z	Frozen RC-063-Rates-of-Pay (Physicians, AFSCME) (Repealed)
310.TABLE AB	Frozen RC-150-Rates-of-Pay (Public Service Administrators Option 6, AFSCME) (Repealed)
310.TABLE AD	Frozen RC-184-Rates-of-Pay (Public Service Administrators Option 8X Department of Natural Resources, SEIU Local 73) (Repealed)
310.TABLE AE	Frozen RC-090-Rates-of-Pay (Internal Security Investigators, Metropolitan Alliance of Police Chapter 294) (Repealed)

310.APPENDIX C Comparison of Pay Grades or Salary Ranges Assigned to Classifications

310.ILLUSTRATION A	Classification Comparison Flow Chart: Both Classes are Whole
310.ILLUSTRATION B	Classification Comparison Flow Chart: One Class is Whole and One is Divided
310.ILLUSTRATION C	Classification Comparison Flow Chart: Both Classes are Divided

310.APPENDIX D Merit Compensation System Salary Schedule
310.APPENDIX E Teaching Salary Schedule (Repealed)
310.APPENDIX F Physician and Physician Specialist Salary Schedule (Repealed)
310.APPENDIX G Broad-Band Pay Range Classes Salary Schedule

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AUTHORITY: Implementing and authorized by Sections 8 and 8a of the Personnel Code [20 ILCS 415].

SOURCE: Filed June 28, 1967; codified at 8 Ill. Reg. 1558; emergency amendment at 8 Ill. Reg. 1990, effective January 31, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 2440, effective February 15, 1984; emergency amendment at 8 Ill. Reg. 3348, effective March 5, 1984, for a maximum of 150 days; emergency amendment at 8 Ill. Reg. 4249, effective March 16, 1984, for a maximum of 150 days; emergency amendment at 8 Ill. Reg. 5704, effective April 16, 1984, for a maximum of 150 days; emergency amendment at 8 Ill. Reg. 7290, effective May 11, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 11299, effective June 25, 1984; emergency amendment at 8 Ill. Reg. 12616, effective July 1, 1984, for a maximum of 150 days; emergency amendment at 8 Ill. Reg. 15007, effective August 6, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 15367, effective August 13, 1984; emergency amendment at 8 Ill. Reg. 21310, effective October 10, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 21544, effective October 24, 1984; amended at 8 Ill. Reg. 22844, effective November 14, 1984; emergency amendment at 9 Ill. Reg. 1134, effective January 16, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 1320, effective January 23, 1985; amended at 9 Ill. Reg. 3681, effective March 12, 1985; emergency amendment at 9 Ill. Reg. 4163, effective March 15, 1985, for a maximum of 150 days; emergency amendment at 9 Ill. Reg. 9231, effective May 31, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 9420, effective June 7, 1985; amended at 9 Ill. Reg. 10663, effective July 1, 1985; emergency amendment at 9 Ill. Reg. 15043, effective September 24, 1985, for a maximum of 150 days; amended at 10 Ill. Reg. 3230, effective January 24, 1986; peremptory amendment at 10 Ill. Reg. 3325, effective January 22, 1986; emergency amendment at 10 Ill. Reg. 8904, effective May 13, 1986, for a maximum of 150 days; peremptory amendment at 10 Ill. Reg. 8928, effective May 13, 1986; emergency amendment at 10 Ill. Reg. 12090, effective June 30, 1986, for a maximum of 150 days; peremptory amendment at 10 Ill. Reg. 13675, effective July 31, 1986; peremptory amendment at 10 Ill. Reg. 14867, effective August 26, 1986; amended at 10 Ill. Reg. 15567, effective September 17, 1986; emergency amendment at 10 Ill. Reg. 17765, effective September 30, 1986, for a maximum of 150 days; peremptory amendment at 10 Ill. Reg. 19132, effective October 28, 1986; peremptory amendment at 10 Ill. Reg. 21097, effective December 9, 1986; amended at 11 Ill. Reg. 648, effective December 22, 1986; peremptory amendment at 11 Ill. Reg. 3363, effective February 3, 1987; peremptory amendment at 11 Ill. Reg. 4388, effective February 27, 1987; peremptory amendment at 11 Ill. Reg. 6291, effective March 23, 1987; amended at 11 Ill. Reg. 5901, effective March 24, 1987; emergency amendment at 11 Ill. Reg. 8787, effective April 15, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 11830, effective July 1, 1987, for a maximum of 150 days; peremptory amendment at 11 Ill. Reg. 13675, effective July 29, 1987; amended at 11 Ill. Reg. 14984, effective August 27, 1987; peremptory amendment at 11 Ill. Reg. 15273, effective September 1, 1987; peremptory amendment at 11 Ill. Reg. 17919,

effective October 19, 1987; peremptory amendment at 11 Ill. Reg. 19812, effective November 19, 1987; emergency amendment at 11 Ill. Reg. 20664, effective December 4, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20778, effective December 11, 1987; peremptory amendment at 12 Ill. Reg. 3811, effective January 27, 1988; peremptory amendment at 12 Ill. Reg. 5459, effective March 3, 1988; amended at 12 Ill. Reg. 6073, effective March 21, 1988; emergency amendment at 12 Ill. Reg. 7734, effective April 15, 1988, for a maximum of 150 days; peremptory amendment at 12 Ill. Reg. 7783, effective April 14, 1988; peremptory amendment at 12 Ill. Reg. 8135, effective April 22, 1988; peremptory amendment at 12 Ill. Reg. 9745, effective May 23, 1988; emergency amendment at 12 Ill. Reg. 11778, effective July 1, 1988, for a maximum of 150 days; emergency amendment at 12 Ill. Reg. 12895, effective July 18, 1988, for a maximum of 150 days; peremptory amendment at 12 Ill. Reg. 13306, effective July 27, 1988; corrected at 12 Ill. Reg. 13359; amended at 12 Ill. Reg. 14630, effective September 6, 1988; amended at 12 Ill. Reg. 20449, effective November 28, 1988; peremptory amendment at 12 Ill. Reg. 20584, effective November 28, 1988; peremptory amendment at 13 Ill. Reg. 8080, effective May 10, 1989; amended at 13 Ill. Reg. 8849, effective May 30, 1989; peremptory amendment at 13 Ill. Reg. 8970, effective May 26, 1989; emergency amendment at 13 Ill. Reg. 10967, effective June 20, 1989, for a maximum of 150 days; emergency amendment expired November 17, 1989; amended at 13 Ill. Reg. 11451, effective June 28, 1989; emergency amendment at 13 Ill. Reg. 11854, effective July 1, 1989, for a maximum of 150 days; corrected at 13 Ill. Reg. 12647; peremptory amendment at 13 Ill. Reg. 12887, effective July 24, 1989; amended at 13 Ill. Reg. 16950, effective October 20, 1989; amended at 13 Ill. Reg. 19221, effective December 12, 1989; amended at 14 Ill. Reg. 615, effective January 2, 1990; peremptory amendment at 14 Ill. Reg. 1627, effective January 11, 1990; amended at 14 Ill. Reg. 4455, effective March 12, 1990; peremptory amendment at 14 Ill. Reg. 7652, effective May 7, 1990; amended at 14 Ill. Reg. 10002, effective June 11, 1990; emergency amendment at 14 Ill. Reg. 11330, effective June 29, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 14361, effective August 24, 1990; emergency amendment at 14 Ill. Reg. 15570, effective September 11, 1990, for a maximum of 150 days; emergency amendment expired February 8, 1991; corrected at 14 Ill. Reg. 16092; peremptory amendment at 14 Ill. Reg. 17098, effective September 26, 1990; amended at 14 Ill. Reg. 17189, effective October 2, 1990; amended at 14 Ill. Reg. 17189, effective October 19, 1990; amended at 14 Ill. Reg. 18719, effective November 13, 1990; peremptory amendment at 14 Ill. Reg. 18854, effective November 13, 1990; peremptory amendment at 15 Ill. Reg. 663, effective January 7, 1991; amended at 15 Ill. Reg. 3296, effective February 14, 1991; amended at 15 Ill. Reg. 4401, effective March 11, 1991; peremptory amendment at 15 Ill. Reg. 5100, effective March 20, 1991; peremptory amendment at 15 Ill. Reg. 5465, effective April 2, 1991; emergency amendment at 15 Ill. Reg. 10485, effective July 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 11080, effective July 19, 1991; amended at 15 Ill. Reg. 13080, effective August 21, 1991; amended at 15 Ill. Reg. 14210, effective September 23, 1991; emergency amendment at 16 Ill. Reg. 711, effective December 26,

1991, for a maximum of 150 days; amended at 16 Ill. Reg. 3450, effective February 20, 1992; peremptory amendment at 16 Ill. Reg. 5068, effective March 11, 1992; peremptory amendment at 16 Ill. Reg. 7056, effective April 20, 1992; emergency amendment at 16 Ill. Reg. 8239, effective May 19, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 8382, effective May 26, 1992; emergency amendment at 16 Ill. Reg. 13950, effective August 19, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 14452, effective September 4, 1992, for a maximum of 150 days; amended at 17 Ill. Reg. 238, effective December 23, 1992; peremptory amendment at 17 Ill. Reg. 498, effective December 18, 1992; amended at 17 Ill. Reg. 590, effective January 4, 1993; amended at 17 Ill. Reg. 1819, effective February 2, 1993; amended at 17 Ill. Reg. 6441, effective April 8, 1993; emergency amendment at 17 Ill. Reg. 12900, effective July 22, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 13409, effective July 29, 1993; emergency amendment at 17 Ill. Reg. 13789, effective August 9, 1993, for a maximum of 150 days; emergency amendment at 17 Ill. Reg. 14666, effective August 26, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 19103, effective October 25, 1993; emergency amendment at 17 Ill. Reg. 21858, effective December 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 22514, effective December 15, 1993; amended at 18 Ill. Reg. 227, effective December 17, 1993; amended at 18 Ill. Reg. 1107, effective January 18, 1994; amended at 18 Ill. Reg. 5146, effective March 21, 1994; peremptory amendment at 18 Ill. Reg. 9562, effective June 13, 1994; emergency amendment at 18 Ill. Reg. 11299, effective July 1, 1994, for a maximum of 150 days; peremptory amendment at 18 Ill. Reg. 13476, effective August 17, 1994; emergency amendment at 18 Ill. Reg. 14417, effective September 9, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 16545, effective October 31, 1994; peremptory amendment at 18 Ill. Reg. 16708, effective October 28, 1994; amended at 18 Ill. Reg. 17191, effective November 21, 1994; amended at 19 Ill. Reg. 1024, effective January 24, 1995; peremptory amendment at 19 Ill. Reg. 2481, effective February 17, 1995; peremptory amendment at 19 Ill. Reg. 3073, effective February 17, 1995; amended at 19 Ill. Reg. 3456, effective March 7, 1995; peremptory amendment at 19 Ill. Reg. 5145, effective March 14, 1995; amended at 19 Ill. Reg. 6452, effective May 2, 1995; peremptory amendment at 19 Ill. Reg. 6688, effective May 1, 1995; amended at 19 Ill. Reg. 7841, effective June 1, 1995; amended at 19 Ill. Reg. 8156, effective June 12, 1995; amended at 19 Ill. Reg. 9096, effective June 27, 1995; emergency amendment at 19 Ill. Reg. 11954, effective August 1, 1995, for a maximum of 150 days; peremptory amendment at 19 Ill. Reg. 13979, effective September 19, 1995; peremptory amendment at 19 Ill. Reg. 15103, effective October 12, 1995; amended at 19 Ill. Reg. 16160, effective November 28, 1995; amended at 20 Ill. Reg. 308, effective December 22, 1995; emergency amendment at 20 Ill. Reg. 4060, effective February 27, 1996, for a maximum of 150 days; peremptory amendment at 20 Ill. Reg. 6334, effective April 22, 1996; peremptory amendment at 20 Ill. Reg. 7434, effective May 14, 1996; amended at 20 Ill. Reg. 8301, effective June 11, 1996; amended at 20 Ill. Reg. 8657, effective June 20, 1996; amended at 20 Ill. Reg. 9006, effective June 26, 1996; amended at 20 Ill. Reg. 9925, effective July 10, 1996; emergency amendment at 20 Ill. Reg.

10213, effective July 15, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 10841, effective August 5, 1996; peremptory amendment at 20 Ill. Reg. 13408, effective September 24, 1996; amended at 20 Ill. Reg. 15018, effective November 7, 1996; peremptory amendment at 20 Ill. Reg. 15092, effective November 7, 1996; emergency amendment at 21 Ill. Reg. 1023, effective January 6, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 1629, effective January 22, 1997; amended at 21 Ill. Reg. 5144, effective April 15, 1997; amended at 21 Ill. Reg. 6444, effective May 15, 1997; amended at 21 Ill. Reg. 7118, effective June 3, 1997; emergency amendment at 21 Ill. Reg. 10061, effective July 21, 1997, for a maximum of 150 days; emergency amendment at 21 Ill. Reg. 12859, effective September 8, 1997, for a maximum of 150 days; peremptory amendment at 21 Ill. Reg. 14267, effective October 14, 1997; peremptory amendment at 21 Ill. Reg. 14589, effective October 15, 1997; peremptory amendment at 21 Ill. Reg. 15030, effective November 10, 1997; amended at 21 Ill. Reg. 16344, effective December 9, 1997; peremptory amendment at 21 Ill. Reg. 16465, effective December 4, 1997; peremptory amendment at 21 Ill. Reg. 17167, effective December 9, 1997; peremptory amendment at 22 Ill. Reg. 1593, effective December 22, 1997; amended at 22 Ill. Reg. 2580, effective January 14, 1998; peremptory amendment at 22 Ill. Reg. 4326, effective February 13, 1998; peremptory amendment at 22 Ill. Reg. 5108, effective February 26, 1998; peremptory amendment at 22 Ill. Reg. 5749, effective March 3, 1998; amended at 22 Ill. Reg. 6204, effective March 12, 1998; peremptory amendment at 22 Ill. Reg. 7053, effective April 1, 1998; peremptory amendment at 22 Ill. Reg. 7320, effective April 10, 1998; peremptory amendment at 22 Ill. Reg. 7692, effective April 20, 1998; emergency amendment at 22 Ill. Reg. 12607, effective July 2, 1998, for a maximum of 150 days; peremptory amendment at 22 Ill. Reg. 15489, effective August 7, 1998; amended at 22 Ill. Reg. 16158, effective August 31, 1998; peremptory amendment at 22 Ill. Reg. 19105, effective September 30, 1998; peremptory amendment at 22 Ill. Reg. 19943, effective October 27, 1998; peremptory amendment at 22 Ill. Reg. 20406, effective November 5, 1998; amended at 22 Ill. Reg. 20581, effective November 16, 1998; amended at 23 Ill. Reg. 664, effective January 1, 1999; peremptory amendment at 23 Ill. Reg. 730, effective December 29, 1998; emergency amendment at 23 Ill. Reg. 6533, effective May 10, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 7065, effective June 3, 1999; emergency amendment at 23 Ill. Reg. 8169, effective July 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 11020, effective August 26, 1999; amended at 23 Ill. Reg. 12429, effective September 21, 1999; peremptory amendment at 23 Ill. Reg. 12493, effective September 23, 1999; amended at 23 Ill. Reg. 12604, effective September 24, 1999; amended at 23 Ill. Reg. 13053, effective September 27, 1999; peremptory amendment at 23 Ill. Reg. 13132, effective October 1, 1999; amended at 23 Ill. Reg. 13570, effective October 26, 1999; amended at 23 Ill. Reg. 14020, effective November 15, 1999; amended at 24 Ill. Reg. 1025, effective January 7, 2000; peremptory amendment at 24 Ill. Reg. 3399, effective February 3, 2000; amended at 24 Ill. Reg. 3537, effective February 18, 2000; amended at 24 Ill. Reg. 6874, effective April 21, 2000; amended at 24 Ill. Reg. 7956, effective May 23, 2000; emergency amendment at 24 Ill. Reg. 10328, effective

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF PEREMPTORY AMENDMENT

July 1, 2000, for a maximum of 150 days; emergency expired November 27, 2000; peremptory amendment at 24 Ill. Reg. 10767, effective July 3, 2000; amended at 24 Ill. Reg. 13384, effective August 17, 2000; peremptory amendment at 24 Ill. Reg. 14460, effective September 14, 2000; peremptory amendment at 24 Ill. Reg. 16700, effective October 30, 2000; peremptory amendment at 24 Ill. Reg. 17600, effective November 16, 2000; amended at 24 Ill. Reg. 18058, effective December 4, 2000; peremptory amendment at 24 Ill. Reg. 18444, effective December 1, 2000; amended at 25 Ill. Reg. 811, effective January 4, 2001; amended at 25 Ill. Reg. 2389, effective January 22, 2001; amended at 25 Ill. Reg. 4552, effective March 14, 2001; peremptory amendment at 25 Ill. Reg. 5067, effective March 21, 2001; amended at 25 Ill. Reg. 5618, effective April 4, 2001; amended at 25 Ill. Reg. 6655, effective May 11, 2001; amended at 25 Ill. Reg. 7151, effective May 25, 2001; peremptory amendment at 25 Ill. Reg. 8009, effective June 14, 2001; emergency amendment at 25 Ill. Reg. 9336, effective July 3, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 9846, effective July 23, 2001; amended at 25 Ill. Reg. 12087, effective September 6, 2001; amended at 25 Ill. Reg. 15560, effective November 20, 2001; peremptory amendment at 25 Ill. Reg. 15671, effective November 15, 2001; amended at 25 Ill. Reg. 15974, effective November 28, 2001; emergency amendment at 26 Ill. Reg. 223, effective December 21, 2001, for a maximum of 150 days; amended at 26 Ill. Reg. 1143, effective January 17, 2002; amended at 26 Ill. Reg. 4127, effective March 5, 2002; peremptory amendment at 26 Ill. Reg. 4963, effective March 15, 2002; amended at 26 Ill. Reg. 6235, effective April 16, 2002; emergency amendment at 26 Ill. Reg. 7314, effective April 29, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 10425, effective July 1, 2002; emergency amendment at 26 Ill. Reg. 10952, effective July 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 13934, effective September 10, 2002; amended at 26 Ill. Reg. 14965, effective October 7, 2002; emergency amendment at 26 Ill. Reg. 16583, effective October 24, 2002, for a maximum of 150 days; emergency expired March 22, 2003; peremptory amendment at 26 Ill. Reg. 17280, effective November 18, 2002; amended at 26 Ill. Reg. 17374, effective November 25, 2002; amended at 26 Ill. Reg. 17987, effective December 9, 2002; amended at 27 Ill. Reg. 3261, effective February 11, 2003; expedited correction at 28 Ill. Reg. 6151, effective February 11, 2003; amended at 27 Ill. Reg. 8855, effective May 15, 2003; amended at 27 Ill. Reg. 9114, effective May 27, 2003; emergency amendment at 27 Ill. Reg. 10442, effective July 1, 2003, for a maximum of 150 days; emergency expired November 27, 2003; peremptory amendment at 27 Ill. Reg. 17433, effective November 7, 2003; amended at 27 Ill. Reg. 18560, effective December 1, 2003; peremptory amendment at 28 Ill. Reg. 1441, effective January 9, 2004; amended at 28 Ill. Reg. 2684, effective January 22, 2004; amended at 28 Ill. Reg. 6879, effective April 30, 2004; peremptory amendment at 28 Ill. Reg. 7323, effective May 10, 2004; amended at 28 Ill. Reg. 8842, effective June 11, 2004; peremptory amendment at 28 Ill. Reg. 9717, effective June 28, 2004; amended at 28 Ill. Reg. 12585, effective August 27, 2004; peremptory amendment at 28 Ill. Reg. 13011, effective September 8, 2004; peremptory amendment at 28 Ill. Reg. 13247, effective September 20, 2004; peremptory amendment at 28 Ill. Reg. 13656, effective September

27, 2004; emergency amendment at 28 Ill. Reg. 14174, effective October 15, 2004, for a maximum of 150 days; emergency expired March 13, 2005; peremptory amendment at 28 Ill. Reg. 14689, effective October 22, 2004; peremptory amendment at 28 Ill. Reg. 15336, effective November 15, 2004; peremptory amendment at 28 Ill. Reg. 16513, effective December 9, 2004; peremptory amendment at 29 Ill. Reg. 726, effective December 15, 2004; amended at 29 Ill. Reg. 1166, effective January 7, 2005; peremptory amendment at 29 Ill. Reg. 1385, effective January 4, 2005; peremptory amendment at 29 Ill. Reg. 1559, effective January 11, 2005; peremptory amendment at 29 Ill. Reg. 2050, effective January 19, 2005; peremptory amendment at 29 Ill. Reg. 4125, effective February 23, 2005; amended at 29 Ill. Reg. 5375, effective April 4, 2005; peremptory amendment at 29 Ill. Reg. 6105, effective April 14, 2005; peremptory amendment at 29 Ill. Reg. 7217, effective May 6, 2005; peremptory amendment at 29 Ill. Reg. 7840, effective May 10, 2005; amended at 29 Ill. Reg. 8110, effective May 23, 2005; peremptory amendment at 29 Ill. Reg. 8214, effective May 23, 2005; peremptory amendment at 29 Ill. Reg. 8418, effective June 1, 2005; amended at 29 Ill. Reg. 9319, effective July 1, 2005; peremptory amendment at 29 Ill. Reg. 12076, effective July 15, 2005; peremptory amendment at 29 Ill. Reg. 13265, effective August 11, 2005; amended at 29 Ill. Reg. 13540, effective August 22, 2005; peremptory amendment at 29 Ill. Reg. 14098, effective September 2, 2005; amended at 29 Ill. Reg. 14166, effective September 9, 2005; amended at 29 Ill. Reg. 19551, effective November 21, 2005; emergency amendment at 29 Ill. Reg. 20554, effective December 2, 2005, for a maximum of 150 days; peremptory amendment at 29 Ill. Reg. 20693, effective December 12, 2005; peremptory amendment at 30 Ill. Reg. 623, effective December 28, 2005; peremptory amendment at 30 Ill. Reg. 1382, effective January 13, 2006; amended at 30 Ill. Reg. 2289, effective February 6, 2006; peremptory amendment at 30 Ill. Reg. 4157, effective February 22, 2006; peremptory amendment at 30 Ill. Reg. 5687, effective March 7, 2006; peremptory amendment at 30 Ill. Reg. 6409, effective March 30, 2006; amended at 30 Ill. Reg. 7857, effective April 17, 2006; amended at 30 Ill. Reg. 9438, effective May 15, 2006; peremptory amendment at 30 Ill. Reg. 10153, effective May 18, 2006; peremptory amendment at 30 Ill. Reg. 10508, effective June 1, 2006; amended at 30 Ill. Reg. 11336, effective July 1, 2006; emergency amendment at 30 Ill. Reg. 12340, effective July 1, 2006, for a maximum of 150 days; peremptory amendment at 30 Ill. Reg. 12418, effective July 1, 2006; amended at 30 Ill. Reg. 12761, effective July 17, 2006; peremptory amendment at 30 Ill. Reg. 13547, effective August 1, 2006; peremptory amendment at 30 Ill. Reg. 15059, effective September 5, 2006; peremptory amendment at 30 Ill. Reg. 16439, effective September 27, 2006; emergency amendment at 30 Ill. Reg. 16626, effective October 3, 2006, for a maximum of 150 days; peremptory amendment at 30 Ill. Reg. 17603, effective October 20, 2006; amended at 30 Ill. Reg. 18610, effective November 20, 2006; peremptory amendment at 30 Ill. Reg. 18823, effective November 21, 2006; peremptory amendment at 31 Ill. Reg. 230, effective December 20, 2006; emergency amendment at 31 Ill. Reg. 1483, effective January 1, 2007, for a maximum of 150 days; peremptory amendment at 31 Ill. Reg. 2485, effective January 17, 2007; peremptory amendment at 31 Ill. Reg. 4445, effective February 28,

2007; amended at 31 Ill. Reg. 4982, effective March 15, 2007; peremptory amendment at 31 Ill. Reg. 7338, effective May 3, 2007; amended at 31 Ill. Reg. 8901, effective July 1, 2007; emergency amendment at 31 Ill. Reg. 10056, effective July 1, 2007, for a maximum of 150 days; peremptory amendment at 31 Ill. Reg. 10496, effective July 6, 2007; peremptory amendment at 31 Ill. Reg. 12335, effective August 9, 2007; emergency amendment at 31 Ill. Reg. 12608, effective August 16, 2007, for a maximum of 150 days; emergency amendment at 31 Ill. Reg. 13220, effective August 30, 2007, for a maximum of 150 days; peremptory amendment at 31 Ill. Reg. 13357, effective August 29, 2007; amended at 31 Ill. Reg. 13981, effective September 21, 2007; peremptory amendment at 31 Ill. Reg. 14331, effective October 1, 2007; amended at 31 Ill. Reg. 16094, effective November 20, 2007; amended at 31 Ill. Reg. 16792, effective December 13, 2007; peremptory amendment at 32 Ill. Reg. 598, effective December 27, 2007; amended at 32 Ill. Reg. 1082, effective January 11, 2008; peremptory amendment at 32 Ill. Reg. 3095, effective February 13, 2008; peremptory amendment at 32 Ill. Reg. 6097, effective March 25, 2008; peremptory amendment at 32 Ill. Reg. 7154, effective April 17, 2008; expedited correction at 32 Ill. Reg. 9747, effective April 17, 2008; peremptory amendment at 32 Ill. Reg. 9360, effective June 13, 2008; amended at 32 Ill. Reg. 9881, effective July 1, 2008; peremptory amendment at 32 Ill. Reg. 12065, effective July 9, 2008; peremptory amendment at 32 Ill. Reg. 13861, effective August 8, 2008; peremptory amendment at 32 Ill. Reg. 16591, effective September 24, 2008; peremptory amendment at 32 Ill. Reg. 16872, effective October 3, 2008; peremptory amendment at 32 Ill. Reg. 18324, effective November 14, 2008; peremptory amendment at 33 Ill. Reg. 98, effective December 19, 2008; amended at 33 Ill. Reg. 2148, effective January 26, 2009; peremptory amendment at 33 Ill. Reg. 3530, effective February 6, 2009; peremptory amendment at 33 Ill. Reg. 4202, effective February 26, 2009; peremptory amendment at 33 Ill. Reg. 5501, effective March 25, 2009; peremptory amendment at 33 Ill. Reg. 6354, effective April 15, 2009; peremptory amendment at 33 Ill. Reg. 6724, effective May 1, 2009; peremptory amendment at 33 Ill. Reg. 9138, effective June 12, 2009; emergency amendment at 33 Ill. Reg. 9432, effective July 1, 2009, for a maximum of 150 days; amended at 33 Ill. Reg. 10211, effective July 1, 2009; peremptory amendment at 33 Ill. Reg. 10823, effective July 2, 2009; peremptory amendment at 33 Ill. Reg. 11082, effective July 10, 2009; peremptory amendment at 33 Ill. Reg. 11698, effective July 23, 2009; peremptory amendment at 33 Ill. Reg. 11895, effective July 31, 2009; peremptory amendment at 33 Ill. Reg. 12872, effective September 3, 2009; amended at 33 Ill. Reg. 14944, effective October 26, 2009; peremptory amendment at 33 Ill. Reg. 16598, effective November 13, 2009; peremptory amendment at 34 Ill. Reg. 305, effective December 18, 2009; emergency amendment at 34 Ill. Reg. 957, effective January 1, 2010, for a maximum of 150 days; peremptory amendment at 34 Ill. Reg. 1425, effective January 5, 2010; peremptory amendment at 34 Ill. Reg. 3684, effective March 5, 2010; peremptory amendment at 34 Ill. Reg. 5776, effective April 2, 2010; peremptory amendment at 34 Ill. Reg. 6214, effective April 16, 2010; amended at 34 Ill. Reg. 6583, effective April 30, 2010; peremptory amendment at 34 Ill. Reg. 7528, effective May 14, 2010; amended at 34 Ill.

Reg. 7645, effective May 24, 2010; peremptory amendment at 34 Ill. Reg. 7947, effective May 26, 2010; peremptory amendment at 34 Ill. Reg. 8633, effective June 18, 2010; amended at 34 Ill. Reg. 9759, effective July 1, 2010; peremptory amendment at 34 Ill. Reg. 10536, effective July 9, 2010; peremptory amendment at 34 Ill. Reg. 11864, effective July 30, 2010; emergency amendment at 34 Ill. Reg. 12240, effective August 9, 2010, for a maximum of 150 days; peremptory amendment at 34 Ill. Reg. 13204, effective August 26, 2010; peremptory amendment at 34 Ill. Reg. 13657, effective September 8, 2010; peremptory amendment at 34 Ill. Reg. 15897, effective September 30, 2010; peremptory amendment at 34 Ill. Reg. 18912, effective November 15, 2010; peremptory amendment at 34 Ill. Reg. 19582, effective December 3, 2010; amended at 35 Ill. Reg. 765, effective December 30, 2010; emergency amendment at 35 Ill. Reg. 1092, effective January 1, 2011, for a maximum of 150 days; peremptory amendment at 35 Ill. Reg. 2465, effective January 19, 2011; peremptory amendment at 35 Ill. Reg. 3577, effective February 10, 2011; emergency amendment at 35 Ill. Reg. 4412, effective February 23, 2011, for a maximum of 150 days; peremptory amendment at 35 Ill. Reg. 4803, effective March 11, 2011; emergency amendment at 35 Ill. Reg. 5633, effective March 15, 2011, for a maximum of 150 days; peremptory amendment at 35 Ill. Reg. 5677, effective March 18, 2011; amended at 35 Ill. Reg. 8419, effective May 23, 2011; amended at 35 Ill. Reg. 11245, effective June 28, 2011; emergency amendment at 35 Ill. Reg. 11657, effective July 1, 2011, for a maximum of 150 days; emergency expired November 27, 2011; peremptory amendment at 35 Ill. Reg. 12119, effective June 29, 2011; peremptory amendment at 35 Ill. Reg. 13966, effective July 29, 2011; peremptory amendment at 35 Ill. Reg. 15178, effective August 29, 2011; emergency amendment at 35 Ill. Reg. 15605, effective September 16, 2011, for a maximum of 150 days; peremptory amendment at 35 Ill. Reg. 15640, effective September 15, 2011; peremptory amendment at 35 Ill. Reg. 19707, effective November 23, 2011; amended at 35 Ill. Reg. 20144, effective December 6, 2011; amended at 36 Ill. Reg. 153, effective December 22, 2011; peremptory amendment at 36 Ill. Reg. 564, effective December 29, 2011; peremptory amendment at 36 Ill. Reg. 3957, effective February 24, 2012; peremptory amendment at 36 Ill. Reg. 4158, effective March 5, 2012; peremptory amendment at 36 Ill. Reg. 4437, effective March 9, 2012; amended at 36 Ill. Reg. 4707, effective March 19, 2012; amended at 36 Ill. Reg. 8460, effective May 24, 2012; peremptory amendment at 36 Ill. Reg. 10518, effective June 27, 2012; emergency amendment at 36 Ill. Reg. 11222, effective July 1, 2012, for a maximum of 150 days; peremptory amendment at 36 Ill. Reg. 13680, effective August 15, 2012; peremptory amendment at 36 Ill. Reg. 13973, effective August 22, 2012; peremptory amendment at 36 Ill. Reg. 15498, effective October 16, 2012; amended at 36 Ill. Reg. 16213, effective November 1, 2012; peremptory amendment at 36 Ill. Reg. 17138, effective November 20, 2012; peremptory amendment at 37 Ill. Reg. 3408, effective March 7, 2013; amended at 37 Ill. Reg. 4750, effective April 1, 2013; peremptory amendment at 37 Ill. Reg. 5925, effective April 18, 2013; peremptory amendment at 37 Ill. Reg. 9563, effective June 19, 2013; amended at 37 Ill. Reg. 9939, effective July 1, 2013; emergency amendment at 37 Ill. Reg. 11395, effective July 1, 2013, for a maximum of 150 days;

peremptory amendment at 37 Ill. Reg. 11524, effective July 3, 2013; peremptory amendment at 37 Ill. Reg. 12588, effective July 19, 2013; peremptory amendment at 37 Ill. Reg. 13762, effective August 8, 2013; peremptory amendment at 37 Ill. Reg. 14219, effective August 23, 2013; amended at 37 Ill. Reg. 16925, effective October 8, 2013; peremptory amendment at 37 Ill. Reg. 17164, effective October 18, 2013; peremptory amendment at 37 Ill. Reg. 20410, effective December 6, 2013; peremptory amendment at 38 Ill. Reg. 2974, effective January 9, 2014; amended at 38 Ill. Reg. 5250, effective February 4, 2014; peremptory amendment at 38 Ill. Reg. 6725, effective March 6, 2014; emergency amendment at 38 Ill. Reg. 9080, effective April 11, 2014, for a maximum of 150 days; peremptory amendment at 38 Ill. Reg. 9136, effective April 11, 2014; amended at 38 Ill. Reg. 9207, effective April 21, 2014; peremptory amendment at 38 Ill. Reg. 13416, effective June 11, 2014; amended at 38 Ill. Reg. 14818, effective July 1, 2014; peremptory amendment at 38 Ill. Reg. 15739, effective July 2, 2014; peremptory amendment at 38 Ill. Reg. 17481, effective July 29, 2014; amended at 38 Ill. Reg. 17556, effective August 6, 2014; peremptory amendment at 38 Ill. Reg. 18791, effective August 26, 2014; peremptory amendment at 38 Ill. Reg. 19806, effective September 26, 2014; amended at 38 Ill. Reg. 20695, effective October 14, 2014; amended at 38 Ill. Reg. 24005, effective December 9, 2014; peremptory amendment at 39 Ill. Reg. 728, effective December 23, 2014; emergency amendment at 39 Ill. Reg. 708, effective December 26, 2014, for a maximum of 150 days; peremptory amendment at 39 Ill. Reg. 6964, effective April 29, 2015; amended at 39 Ill. Reg. 7878, effective May 22, 2015; amended at 39 Ill. Reg. 11220, effective July 28, 2015; peremptory amendment at 39 Ill. Reg. 12004, effective August 13, 2015; peremptory amendment at 39 Ill. Reg. 15807, effective November 25, 2015; amended at 40 Ill. Reg. 5893, effective March 28, 2016; peremptory amendment at 40 Ill. Reg. 8462, effective June 1, 2016; peremptory amendment at 40 Ill. Reg. 9658, effective June 30, 2016; amended at 40 Ill. Reg. 9356, effective July 1, 2016; peremptory amendment at 40 Ill. Reg. 11207, effective August 5, 2016; peremptory amendment at 41 Ill. Reg. 1210, effective January 19, 2017; amended at 41 Ill. Reg. 1695, effective January 25, 2017; peremptory amendment at 41 Ill. Reg. 2078, effective February 2, 2017; amended at 41 Ill. Reg. 3191, effective March 6, 2017; amended at 41 Ill. Reg. 4615, effective April 24, 2017; peremptory amendment at 41 Ill. Reg. 5822, effective May 15, 2017; peremptory amendment at 41 Ill. Reg. 6695, effective May 24, 2017; peremptory amendment at 41 Ill. Reg. 7227, effective June 9, 2017; amended at 41 Ill. Reg. 8314, effective July 1, 2017; peremptory amendment at 41 Ill. Reg. 10974, effective August 10, 2017; peremptory amendment at 41 Ill. Reg. 11447, effective August 25, 2017; peremptory amendment at 41 Ill. Reg. 12179, effective September 13, 2017; peremptory amendment at 41 Ill. Reg. 15837, effective December 12, 2017; amended at 42 Ill. Reg. 712, effective December 28, 2017; amended at 42 Ill. Reg. 5357, effective March 9, 2018; peremptory amendment at 42 Ill. Reg. 8967, effective May 16, 2018; amended at 42 Ill. Reg. 13464, effective July 1, 2018; amended at 42 Ill. Reg. 16651, effective September 4, 2018; peremptory amendment at 43 Ill. Reg. 3999, effective March 15, 2019; amended at 43 Ill. Reg. 8746, effective July 31, 2019; peremptory amendment at 43 Ill. Reg. 9886, effective August 21,

2019; peremptory amendment at 43 Ill. Reg. 10811, effective September 20, 2019; peremptory amendment at 43 Ill. Reg. 11734, effective September 27, 2019; peremptory amendment at 43 Ill. Reg. 12119, effective October 8, 2019; peremptory amendment at 43 Ill. Reg. 13031, effective October 25, 2019; emergency amendment at 43 Ill. Reg. 14216, effective November 22, 2019, for a maximum of 150 days; amended at 44 Ill. Reg. 1819, effective January 1, 2020; peremptory amendment at 44 Ill. Reg. 2380, effective January 15, 2020; peremptory amendment at 44 Ill. Reg. 2588, effective January 17, 2020; peremptory amendment at 44 Ill. Reg. 2985, effective January 31, 2020.

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF PEREMPTORY AMENDMENT

Section 310.APPENDIX A Negotiated Rates of Pay

Section 310.TABLE T HR-010 (Teachers of Deaf, IFT)

Title	Title Code	Bargaining Unit	Pay Plan Code
Educator	13100	HR-010	N

Effective July 1, 2015
Bargaining Unit: HR-010

Lane	Educational Level	STEPS 1c	1b	1a	1	2	3	4	5	6	7	8
1	BA	3135	3238	3342	3445	3635	3832	4023	4229	4427	4854	5049
2	BA + 8 Hours	3234	3341	3447	3554	3744	3949	4154	4370	4576	5014	5215
3	BA + 16 Hours	3316	3425	3535	3644	3860	4076	4288	4493	4720	5178	5385
4	BA + 24 Hours	3409	3521	3634	3746	3973	4196	4418	4648	4868	5344	5560
5	MA	3514	3630	3746	3862	4088	4317	4548	4786	5011	5501	5721
6	MA + 16 Hours	3597	3716	3834	3953	4182	4412	4646	4886	5110	5607	5828
7	MA + 32 Hours	3706	3829	3951	4073	4301	4535	4772	5010	5239	5743	5973

Effective August 16, 2019
Bargaining Unit: HR-010

Lane	Educational Level	STEPS 1c	1b	1a	1	2	3	4	5	6	7	8
1	BA	3135	3238	3342	3445	3635	3832	4023	4229	4427	4854	5049
2	BA + 8 Hours	3234	3341	3447	3554	3744	3949	4154	4370	4576	5014	5215
3	BA + 16 Hours	3316	3425	3535	3644	3860	4076	4288	4493	4720	5178	5385
4	BA + 24 Hours	3409	3521	3634	3746	3973	4196	4418	4648	4868	5344	5560
5	MA	3514	3630	3746	3862	4088	4317	4548	4786	5011	5501	5721
6	MA + 16 Hours	3597	3716	3834	3953	4182	4412	4646	4886	5110	5607	5828
7	MA + 32 Hours	3706	3829	3951	4073	4301	4535	4772	5010	5239	5743	5973

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF PEREMPTORY AMENDMENT

Effective January 1, 2020
Bargaining Unit: HR-010

Lane	Educational Level	STEPS 1c	1b	1a	1	2	3	4	5	6	7	8
1	BA	3182	3287	3392	3497	3690	3889	4083	4292	4493	4927	5125
2	BA + 8 Hours	3283	3391	3499	3607	3800	4008	4216	4436	4645	5089	5293
3	BA + 16 Hours	3366	3476	3588	3699	3918	4137	4352	4560	4791	5256	5466
4	BA + 24 Hours	3460	3574	3689	3802	4033	4259	4484	4718	4941	5424	5643
5	MA	3567	3684	3802	3920	4149	4382	4616	4858	5086	5584	5807
6	MA + 16 Hours	3651	3772	3892	4012	4245	4478	4716	4959	5187	5691	5915
7	MA + 32 Hours	3762	3886	4010	4134	4366	4603	4844	5085	5318	5829	6063

Effective August 16, 2020
Bargaining Unit: HR-010

Lane	Educational Level	STEPS 1c	1b	1a	1	2	3	4	5	6	7	8
1	BA	3249	3356	3463	3570	3767	3971	4169	4382	4587	5030	5233
2	BA + 8 Hours	3352	3462	3572	3683	3880	4092	4305	4529	4743	5196	5404
3	BA + 16 Hours	3437	3549	3663	3777	4000	4224	4443	4656	4892	5366	5581
4	BA + 24 Hours	3533	3649	3766	3882	4118	4348	4578	4817	5045	5538	5762
5	MA	3642	3761	3882	4002	4236	4474	4713	4960	5193	5701	5929
6	MA + 16 Hours	3728	3851	3974	4096	4334	4572	4815	5063	5296	5811	6039
7	MA + 32 Hours	3841	3968	4094	4221	4458	4700	4946	5192	5430	5951	6190

Effective August 16, 2021
Bargaining Unit: HR-010

Lane	Educational Level	STEPS 1c	1b	1a	1	2	3	4	5	6	7	8
1	BA	3377	3489	3600	3711	3916	4128	4334	4555	4768	5229	5440
2	BA + 8 Hours	3484	3599	3713	3828	4033	4254	4475	4708	4930	5401	5617

3	BA + 16 Hours	3573	3689	3808	3926	4158	4391	4618	4840	5085	5578	5801
4	BA + 24 Hours	3673	3793	3915	4035	4281	4520	4759	5007	5244	5757	5990
5	MA	3786	3910	4035	4160	4403	4651	4899	5156	5398	5926	6163
6	MA + 16 Hours	3875	4003	4131	4258	4505	4753	5005	5263	5505	6041	6278
7	MA + 32 Hours	3993	4125	4256	4388	4634	4886	5141	5397	5644	6186	6435

Effective August 16, 2022
Bargaining Unit: HR-010

	Educational	STEPS										
Lane	Level	1c	1b	1a	1	2	3	4	5	6	7	8
1	BA	3510	3627	3742	3858	4071	4291	4505	4735	4956	5436	5655
2	BA + 8 Hours	3622	3741	3860	3979	4192	4422	4652	4894	5125	5614	5839
3	BA + 16 Hours	3714	3835	3958	4081	4322	4564	4800	5031	5286	5798	6030
4	BA + 24 Hours	3818	3943	4070	4194	4450	4699	4947	5205	5451	5984	6227
5	MA	3936	4064	4194	4324	4577	4835	5093	5360	5611	6160	6406
6	MA + 16 Hours	4028	4161	4294	4426	4683	4941	5203	5471	5722	6280	6526
7	MA + 32 Hours	4151	4288	4424	4561	4817	5079	5344	5610	5867	6430	6689

NOTES: Employer – "Employer" refers to the Departments of Central Management Services and Human Services.

Staff Meetings – Once each month, Educators will attend a staff meeting beginning at 3:10 p.m. and ending no later than 3:55 p.m. Compensation for attendance shall be in an amount equal to one hour's pay at the employee's hourly rate. The date od the meeting shall be announced to the employees no later than 15 calendar days prior to the day of the meeting.

Individual Education Program (IEP) and Evaluation Report (ER) – As much as possible, IEPs and ERs will be scheduled during the educators' regularly scheduled teaching day. In instances where IEPs and ERs cannot be scheduled from 8:05 a.m.-3::00 p.m. because of scheduling problems, special requests made by parents and/or Local Education Associations (LEAs), IEPs will be scheduled after regular work hours. If an IEP or ER is scheduled or continues beyond 3:00 p.m. the educator will be paid the appropriate hourly rate. If an IEP or ER is

scheduled or continues during the Educator's duty free lunch, the Educator will be afforded a duty free lunch or be paid the appropriate hourly rate as determined by the Educator and approved by the Supervising Principal.

Required Meeting – If an Educator is required to attend a meeting beyond the work year as defined in Section 4.3 of the Agreement or the teaching day as defined in Section 4.1 of the Agreement, the Educator shall be compensated at the individual's hourly rate of pay, subject to the approval of the Supervising Principal. The sections state: Educators will work a normal academic year teaching schedule of 180 days within a 185 day minimum term which will insure at least 176 days of actual pupil attendance as enumerated on form IOE-33-03 (Rev. January 1, 1996) and as approved by the Director of Central Management Services. The regular teaching day shall commence at 8:05 a.m. and shall terminate at 3:00 p.m.

Free Lunch – Educators shall receive one 40 minute duty free lunch period without a lunch provided unless prior to the beginning of each semester Educators notify the Superintendent in writing of their desire to take their lunch with the students in the cafeteria. Such a lunch shall be provided without cost. For Educators receiving free lunch the Superintendent will at the Superintendent's discretion assign Educators to cafeteria duty. Educators will remain at their designated cafeteria assignments until students have fully completed the lunch meal. In the event that circumstances occur which preclude providing lunch to Educators without cost, the Educators shall receive one 40-minute duty free lunch period.

Professional Meeting – With prior written approval of the Superintendent, Educators shall be allowed time away from work with pay to attend the following professional meetings: i. Illinois Teachers of Hard of Hearing/Deaf Individuals. ii IFT sponsored workshops for Educators and other professional meetings where appropriate and beneficial to the school's program. iii. The Employer shall not be responsible for any travel or subsistent expenses incurred by the Educator(s) unless mutually agreed otherwise.

Timer or Scorekeeper – Educators assigned to the activities of Timer or Scorekeeper, as listed in Schedule B of the Agreement and 310.Appendix A Table U, shall be responsible for all home games within that assignment and shall be responsible for obtaining a replacement when necessary. Except in cases of emergency, the Educator must notify the Athletic Director or his/her designee not less than 24 hours prior to the scheduled event of his/her inability to attend and inability to

find a replacement. In such cases the Athletic Director or his/her designee shall assign a replacement. Pay for any replacements shall be the responsibility of the Educator regularly assigned to the activity.

Paid Time Off for Union Business, General Provisions – Employees, Business Agent and Local Union Representatives shall be allowed reasonable time with pay during work hours, except during periods of student contact time, to file, investigate, and process grievances, provided that such activity does not substantially interfere with the employer's operation. Employees shall, after giving appropriate notice to their supervisors, be allowed reasonable time off with pay during working hours to attend grievance hearings or meetings called or agreed to by the Employer, if such Educators are entitled or required to attend such meetings by virtue of being Union representatives, Business Agent, witnesses, or grievants.

Paid Time Off for Union Business, Time Off for Labor/Management Meetings – For the purpose of maintaining communications between Labor and Management and to cooperatively discuss and solve problems of mutual concern, meetings shall be held between the union representatives and management. An Educator who by virtue of his/her status as a Union representative, Business Agent, or witness, is entitled or required to attend labor/management meetings or other meetings called or agreed to by the employer, shall be paid for work time so used, provided the Educator has received permission from the supervisor for such attendance. The supervisor will not withhold permission unless the Educator's absence would substantially interfere with operations. Time off with pay does not include time spent by the Educator or Union representative during non-scheduled work hours.

Paid Time Off for Union Business, Time Off for Union Meetings, Caucuses, or Conventions – Time off with pay does not include time spent by the Educator or Union representative during non-scheduled work hours.

Paid Time Off for Union Business, Limitations on Time Off for Labor/Management Meetings – Employees, Business Agent, and Union representatives may be called to scheduled or unscheduled sessions to conduct Union business. Time off work with pay is not allowed an Educator for purposes of participating in sessions called by a Union. Earned paid time off, such as vacation, holiday, or personal leave, may be used for such purposes provided the constraints and procedures related to these types of time off are observed.

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF PEREMPTORY AMENDMENT

Paid Time Off for Union Business, Union Representation at Employee Orientation Meeting – The Union Business Agent or other Local 919 representative shall be allowed one hour of paid time to participate in new employee orientation conducted for new bargaining unit members.

Suspension Pending Discharge – The employer may suspend an employee without pay up to thirty days pending a decision on discharge of the employee. Such actions shall not be subject to the grievance procedure, however if suspension pending discharge is replaced by another disciplinary action, written notice will be issued and such action may be subject to the grievance procedure.

Class Size – Both parties of the Agreement recognize that class size may vary and agree that good faith efforts should be made to avoid excessive class size. In no case shall class size be used as a punitive measure. In cases of significant, permanent class size changes, the parties recognize the obligation to negotiate over the impact on wages, hours and conditions of employment.

Substitute Teachers – If a substitute teacher from the substitute list cannot be provided, a teacher who has a preparation period and wants to act as the substitute teacher, may be used as a substitute teacher and be reimbursed at his/her hourly rate of pay in addition to his/her contractual rate of pay.

Fitness for Duty – When the Employer has requested a fitness for duty evaluation which determines the employee is unfit for duty and the employee's physician certifies the employee is fit for duty, the Employer may rely upon the decision of the impartial physician as to the employee's fitness for duty. Such examination shall be paid for by the employer.

On-the-job Injury – An Educator who suffers an on-the-job injury or contracts a service-connected disease shall be allowed full pay during the first five calendar days of absence without utilization of any accumulated sick leave or other benefits. Thereafter, the Educator shall be permitted to utilize accumulated sick leave. In the event such service-connected injury or illness becomes a subject of an award by the Industrial Commission, the Educator shall restore to the Employer the dollar equivalent which duplicates payment received as sick leave days, and the Educator's sick leave account shall be credited with sick leave day equivalents.

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF PEREMPTORY AMENDMENT

Leave for Military Physical Examinations – Educators who are drafted into military service shall be allowed up to three days leave with pay to take a physical examination required by such draft. Upon request, the Educator must provide the employing agency with certification by a responsible authority that the period of leave was actually used for such purpose.

Court Appearances – Any permanent Educator called for jury duty or subpoenaed by a legislative, judicial, or administrative tribunal, shall be allowed time away from work with pay, except in matters of non-work related personal litigation, for such purposes. Upon receiving the sum paid for jury service or witness fees, the Educator shall submit the warrant, or its equivalent, to the Employer to be returned to the fund in the State Treasury from which the original payroll warrant was drawn. Provided, however, an Educator may elect to fulfill such call or subpoena on accrued time off and personal leave and retain the full amount received for such service. An Educator called for reasons contained herein shall have such days considered as days worked for the purpose of scheduling and shall be given commensurate days off from work on his/her next scheduled work day(s) for any days which he/she would otherwise not have worked.

Administrative Certification – Effective September 1, 1995, educators with administrative certification shall be allowed one day each school year, without loss of pay, to attend administrators academy workshops needed to maintain certification.

Maternity/Paternity Leave – All bargaining unit members who show proof of their pregnancy or that of their female partner in the first 20 weeks will be eligible for ten weeks (50 work days) paid maternity/paternity leave for each pregnancy resulting in a birth or multiple births. Such proof shall be provided to the Employer no later than the 24th week of pregnancy. Should both parents be bargaining unit members they shall each be eligible for ten weeks paid maternity/paternity leave, which may be taken consecutively or concurrently. Regardless of the number of pregnancies in a year, no employee shall receive more than 10 weeks (50 work days) of paid leave under this section per year. The State shall require proof of the birth. In addition, non-married male employees may be required to provide proof of paternity such as a birth certificate or other appropriate documentation confirming paternity. Leaves under this Section shall also be granted in cases of a full term still born child for a maximum of five weeks. All bargaining unit members are eligible for ten weeks (50 days) of paid leave with a new adoption, with the leave to commence when physical custody of

the child has been granted to the member, provided that the member can show that the formal adoption process is underway. The agency personnel office must be notified, and the member must submit proof that the adoption has been initiated. Should both parents be employees they shall each be eligible for the 10 weeks of paid maternity/paternity leave, which may be taken consecutively or concurrently. Regardless of the number of adoptions in a year no employee shall receive more than 10 weeks (50 work days) of paid leave under this section per year. Employees are not eligible for the above referenced leave in the event the adoption is for a child with whom the employee has previously established residency. Individual bargaining unit members utilizing maternity/paternity leave may choose a voluntary reduction of the total number of days granted to them under Section 21.12 of the Agreement and may choose to substitute other accrued time up to the full ten weeks (50 work days) granted for Maternity/Paternity Leave.

Bereavement Leave – Upon request, employees shall be granted paid leave of up to two scheduled workdays to attend the funeral or similar service, for related travel and bereavement time upon the death of a member of the employee's immediate family. Leave shall be limited to one instance per calendar year. Documentation of the reason for the funeral/bereavement leave, attendance at the funeral or similar service, and relationship to the deceased may be required. Immediate family is defined pursuant to this Section as: father, mother, sister, brother, spouse, children, grandparent and grandchildren including relationships established by marriage. For purposes of application of Bereavement Leave, relationships existing due to marriage will terminate upon death or divorce of the relative through whom the marriage relationship exists. Current marital status will be defined in accordance with State law.

Change in Steps, Satisfactory Performance Increase – An Educator who has not attained Step 7 of the appropriate pay lane and whose level of performance has been at a satisfactory level of competence, shall be successively advanced in pay to the next higher step in the salary lane after one year of creditable service in the same class. A satisfactory performance increase shall become effective on the first day of the month within which the required period of creditable service is reached. No satisfactory performance increase may be given after the effective date of separation.

Change in Steps, Withholding Satisfactory Performance Increase – As an inducement toward attainment of satisfactory level of competence, Satisfactory Performance

Increase may be withheld from an Educator who has not achieved a satisfactory level of performance. Such action must be supported by: i. A performance record showing less than satisfactory performance. This must be prepared by the appropriate supervisor, discussed with the Educator and approved by the agency head prior to the date the increase would otherwise become effective. The performance record will not be invalidated by refusal of an Educator to sign. In such cases an explanatory comment shall be made on the record by the supervisor. This record will be preserved by the agency. ii. Notice of withholding of Satisfactory Performance Increases to the Department of Central Management Services − It shall be reported upon completion of action required by (i) above, but not later than the submission of the payroll reflecting the denial of the increase.

Change in Steps, Redetermination – A Satisfactory Performance Increase previously withheld shall be granted when the cause for withholding has been eliminated. Redetermination must be made at least annually. In such cases the increases will be effective the first day of the month following date of approval and will be preceded by the preparation and filing of a performance record within the agency indicating the attainment of satisfactory level of competence.

General Increases – The pay rates for all bargaining unit classifications and steps shall be increased: by 1.50%, effective January 1, 2020; by 2.10%, effective August 16, 2020; by 3.95%, effective August 16, 2021; and by 3.95%, effective August 16, 2022.

Change in Educational Pay Lanes – An Educator shall advance vertically on the salary schedule by obtaining additional college credits from accredited institutions of higher learning. The B.A. plus hours and M.A. plus hours must be earned in course work bearing previous written approval of the Superintendent. Salary adjustments on the basis of earning additional professional training will be made upon presentation of an official notice from the institution granting the credit in the form of an official transcript. The increase in salary will become effective with the pay period following the pay period in which work was performed with the additional professional training, provided that notice be given ten days prior to the pay period.

Holiday Pay – Full-time Educators shall receive double time cash payment for work performed on any holidays designated in the Rules of the Department of Central Management Services, which occur during the academic year. Such holidays shall

be designated in the school calendar at the discretion of the Superintendent or his/her designee with the employees receiving a minimum four holidays per academic year and five holidays in an election year. Beginning in academic year 2005-2006 the employees shall receive, under the above provision, a minimum five holidays per academic year and six holidays in an election year. If school is cancelled on a holiday and rescheduled for another pre-determined snow day, employees shall be entitled to double time cash payment for work performed on the rescheduled day.

Vacation Pay – Permanent, full-time Educators shall earn vacation in accordance with the following schedule: 1-5 years completed, 5 vacation days paid; 6-9 years completed, 6 vacation days paid; 10-14 years completed, 10 vacation days paid; 15-19 years completed, 13 vacation days paid; 20-25 years completed, 16 vacation days paid; 26+ years completed, 19 vacation days paid. Payment for such vacation shall be paid in cash at the end of each academic year in which it was earned unless the Superintendent at his/her discretion grants Educator requests for vacation time use during the school year. Subject to audit verification, the parties od the Agreement agree that any discrepancy in the administration of this section shall be adjusted for each individual employee upon separation or retirement as it relates to the appropriate number of vacation days per years of service. For purposes of vacation pay, completion of year(s) of service shall mean completion of a full academic year, including an educator's first academic year. This provision applies to employees on the active payroll as of August 1, 1997.

Summer Employment – Educators shall be in "non pay" status during the period between the ending of an academic year and the beginning of the subsequent academic year. However, when the school designates Educators to work during such period, the Educator shall be compensated for each full day worked at their daily rate of pay except for positions funded by grants. Educators during summer employment shall not accrue personal business or sick leave credits for such summer work.

Payment for Specified Extracurricular Activities – No additional compensation shall be paid to an Educator unless he/she is assigned extracurricular activities as listed in 310.Appendix A Table U. The current pay scale as set forth in 310.Appendix A Table U shall remain at the current rates for the duration of this Agreement. 310.Appendix A Table U shall remain in the contract for reference. An Educator assigned to such extracurricular activities shall receive, in addition to the

compensation provided in this Section, the appropriate compensation in 310.Appendix A Table U. The appropriate amount will be paid in one warrant at the end of the season or academic year.

School Improvement Pay – For the addition of 6 designated school improvement meetings, full time educators shall earn one day of comp time, to be paid at their daily rate of pay, in June of the academic year.

180 Day Rate Pay Calculation – The monthly salary multiplied by twelve and divided by 180 days shall equal the daily rate of pay. The daily rate of pay divided by 6.25 shall equal the hourly rate of pay. If an educator separates from employment prior the completion of the 180-day school calendar year, the educator shall receive payment for the days utilizing the following formula. The actual days worked will be multiplied by their daily rate of pay and then subtracting the salary already received from the Employer. Educators completing the full 180 days of the school calendar year shall receive their full annual salary for the year.

2015-2019 Salary History – Employees shall have their salary history rebuilt and employees shall be placed on the correct step and/or longevity for the salary steps missed during the 2015-2019 contract years.

Bilingual Pay − For positions for which job descriptions require the use of sign language, or which require the employee to be bilingual, bilingual pay is paid on a percentage scale based on the sign communication proficiency interview (SCPI) test. An employee is paid the following percentage of the employee's monthly base salary depending on the skill level that the employee achieved on the SCPI test and paid monthly as bilingual pay in addition to the base salary:

1%	Survival
2%	Survival Plus
3%	Intermediate
4%	Intermediate Plus
5%	Advanced

Longevity Pay – Effective August 16, 2000, the Step 7 was increased by $25 per month for the employees who attained 10 years of continuous service and have three or more years of creditable service on Step 7 in the same pay grade. Effective August 16, 2004, the Step 8 rate was increased by $25 per month for the employees who attained 10 years of continuous service and have three years or

more years of creditable service on Step 8 in the same or higher pay grade. For the employees who attained 15 years of continuous service and have three or more years of creditable service on Step 8 in the same or higher pay grade, the Step 8 rate was raised by $50 per month. Longevity is paid each month per calendar year. Effective August 16, 2010, the Step 8 was raised by $50 per month for the employees who attained 10 years of continuous service and have three or more years of creditable service on Step 8 in the same or higher pay grade on or before August 16, 2010. For the employees who attained 15 years of continuous service and have three or more years of creditable service on Step 7 in the same or higher pay grade on or before August 16, 2010, the Step 8 rate was increased by $75 per month. Effective August 16, 2013, the Step 8 was raised by $25 per month to $75 per month for the employees who attained 10 years of continuous service and have three or more years of creditable service on Step 8 in the same or higher pay grade on or before August 16, 2013. For the employees who attained 15 years of continuous service and have three or more years of creditable service on Step 8 in the same or higher pay grade on or before August 16, 2013, the Step 8 rate was increased by $25 per month to $100 per month. Employees who are eligible for longevity on or before January 1, 2002 shall continue to receive longevity pay after being placed on Step 8 while they remain in the same or lower pay grade. Employees not eligible for longevity pay on or before the date they are placed on Step 8 shall begin to receive longevity pay after three years or more of creditable service on Step 8.

~~Frozen Step Increases – Effective July 1, 2015, step increases shall be frozen for the duration of the 2015-2019 Collective Bargaining Agreement (CBA).~~

~~FY2016 Bonus, Merit Incentive Program and Gain Sharing Program – All bargaining unit employees who are in active employment status on June 30, 2016, and who have missed fewer than five percent of their assigned work days between the effective date of the 2015-2019 CBA and June 30, 2016 shall receive a one time, non-pensionable bonus of $1,000. This bonus shall be paid no later than 30 days from the date upon which the contract is signed by the bargaining unit and State, subject to any Pay Plan change that is necessary to effectuate this provision.~~

~~The bargaining unit and State agree to develop and implement a merit incentive program that began in Fiscal Year 2017 to reward and incentivize high-performing employees, or a group's/unit's performance. As a part of these efforts, the State shall allocate funds for payout to those individuals deemed high performers or for a group's/unit's level of performance for the specific group/unit. Payment from~~

~~the allocated funds is based on the satisfaction of performance standards to be developed by the State in consultation with the bargaining unit. This merit compensation, either for a group/unit or an individual, shall be considered a one-time bonus and offered only as a non-pensionable incentive. Any employee who accepts merit pay compensation does so voluntarily and with the knowledge and on the express condition that the merit pay compensation is not included in any pension calculations.~~

~~Additionally, as a part of overall efforts to improve efficiency of State operations and align the incentives of the State with its employees, the State shall develop gain sharing programs. Under these programs, employees or agencies that achieve savings for the State share in these savings. Savings shall be calculated based on achieved savings for the State and shall not include savings from other funds, such as Federal funds, if the State is forbidden from disbursing the monies as rewards. This compensation, either for a group or an individual, shall be considered a one-time bonus and offered only as a non-pensionable incentive. Any employee who accepts gain-sharing compensation does so voluntarily and with the knowledge and on the express condition that the merit pay or gain-sharing compensation is not included in any pension calculations.~~

~~In each contract year in which a merit incentive program is created, and subject to annual approval as a part of the State's overall budget, the State shall set aside for payments pursuant to this Section, a separate budgetary line item in an amount equal to two percent of the budgeted base payroll costs for the bargaining unit employees ("Bonus Pool"). Employee bonuses are then distributed as follows:~~

~~1) One-half (.5) percent of the Bonus Pool is distributed among all bargaining unit employees subject to the 2015-2019 CBA and who meet the conditions stated in (1)(a) and (b) in proportion to each employee's base salary. To be eligible to receive the first one-half percent of the Bonus Pool, an employee:~~

~~a) Shall have missed no more than seven of their assigned work days (or no more than 56 of their assigned work hours) in the fiscal year during which a bonus is distributed, and~~

~~b) Shall have committed no work policy violations during the same fiscal year.~~

~~2) The remaining 1.5 percent of the Bonus Pool is distributed to no fewer than 25% of employees based on the satisfaction of performance standards to be developed by the State in consultation with the bargaining unit as part of a merit incentive program described above, as well as meeting the criterion set out in (1)(a).~~

~~The State shall form a joint committee with the bargaining unit comprised of at least three representatives from the bargaining unit and a comparable number of representatives from the State. The purpose of the committee is to allow the bargaining unit the opportunity to consult on the development of specific policies and criteria for both of these programs. Further, once developed, the bargaining unit is given an opportunity to review and comment on these policies and criteria prior to their implementation. The State's intent is to develop policies that reward employees or group of employees based on specific achievements and to prevent payouts that are influenced by favoritism, politics, or other purely subjective criteria. Compliance with the policies for both of these programs shall be subject to the grievance and arbitration procedure. Whenever the State pays an employee or group of employees as part of the merit incentive program or gain-sharing initiatives, the payments shall be funded by the employing agency's operating funds. The State shall forward all requests for payment to the Comptroller, and payments shall be issued as required by the obligations of the 2015-2019 CBA.~~

~~The Memorandum of Understanding signed May 31, 2016 shall remain in effect until the expiration of the 2015-2019 CBA between the bargaining unit and State, or until there is a mutual agreement between the bargaining unit and State to terminate the Memorandum of Understanding signed May 31, 2016 prior to the expiration.~~

(Source: Amended by peremptory rulemaking at 44 Ill. Reg. 2985, effective January 31, 2020)

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PUBLIC HEARING ON PROPOSED AMENDMENTS

1) Heading of the Part: Skilled Nursing and Intermediate Care Facilities Code

2) Code Citation: 77 Ill. Adm. Code 300

3) Register Citation to Notice of Proposed Rules: 44 Ill. Reg. 435; January 10, 2020

4) Dates, Times and Locations of Public Hearings:

February 24, 2020
1:00 pm – 3:00 pm
John R. Block Building (Auditorium)
801 East Sangamon Ave
Gate 11- State Fairgrounds
Springfield IL 62702

5) Other Pertinent Information:

This hearing is being held solely to gather public comment on the proposed rules. Persons interested in presenting testimony at the hearing are advised that the Department will adhere to the following procedures:

A) Persons must sign in at the registration desk and must have the name badge provided on their person at all times while in the public hearing location.

B) Persons may provide oral or written testimony.

C) Persons wishing to provide oral testimony must register at the beginning of the hearing by completing the registration form available at the hearing room entrance.

D) Persons registered to provide oral testimony must submit a written copy of their testimony at the time of registration.

E) Persons giving oral testimony are asked to limit their comments to no more than three (3) minutes. Persons who exceed the time limit will be advised to conclude their testimony so that each person who wishes to offer oral testimony will have time to speak. Persons will not be recognized to speak a second time until all registered persons have been offered the opportunity to give testimony. Persons will not be allowed to proxy their oral testimony to another person.

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PUBLIC HEARING ON PROPOSED AMENDMENTS

F) Organizations or associations are asked to select one spokesperson to present oral testimony on behalf of the organization. The spokesperson is limited to five (5) minutes to present comments on behalf of the organization or group.

G) To provide a balanced presentation of views and to assist the orderly conduct of the hearing, the Department may impose other rules of procedure as necessary, including, but not limited to, the order of persons providing oral testimony.

6) Name and Address of Agency Contact Person:

Erin Conley
Division of Legal Services
Department of Public Health
535 West Jefferson Street, 5th Floor
Springfield IL 62761-0001

217/782-2043
dph.rules@illinois.gov

JOINT COMMITTEE ON ADMINISTRATIVE RULES

STRATTON OFFICE BUILDING
ROOM C-1
SPRINGFIELD, ILLINOIS
FEBRUARY 18, 2020
10:30 A.M.

NOTICE: It is the policy of the Committee to allow only representatives of State agencies to testify orally on any rule under consideration at Committee hearings. If members of the public wish to express their views with respect to a proposed rule, they should submit written comments to the Office of the Joint Committee on Administrative Rules at the following address:

Joint Committee on Administrative Rules
700 Stratton Office Building
Springfield, Illinois 62706
217/785-2254 jcar@ilga.gov

RULEMAKINGS SCHEDULED FOR JCAR REVIEW

The following rulemakings are scheduled for review at this meeting. JCAR staff may be proposing action with respect to some of these rulemakings. JCAR members may have questions concerning, and may initiate action with respect to, any item scheduled for JCAR review and any other issues within the Committee's purview.

PROPOSED RULEMAKINGS

Chief Procurement Officer for Higher Education

1. Chief Procurement Officer for Public Institutions of Higher Education Standard Procurement (44 Ill. Adm. 4)
   -First Notice Published: 43 Ill. Reg. 13841 – 12/6/19
   -Expiration of Second Notice: 3/12/20

Financial and Professional Regulation

2. Wholesale Drug Distribution Licensing Act (68 Ill. Adm. 1510)
   -First Notice Published: 43 Ill. Reg. 13160 – 11/15/19
   -Expiration of Second Notice: 3/11/20

Healthcare and Family Services

3. Medical Payment (89 Ill. Adm. 140)

-First Notice Published: 43 Ill. Reg. 12000 – 10/25/19
-Expiration of Second Notice: 3/13/20

Human Services

4. General Grantmaking (DHS) (44 Ill. Adm. 7040)
-First Notice Published: 43 Ill. Reg. 11812 – 10/18/19
-Expiration of Second Notice: 3/18/20

5. Sexually Violent Persons (59 Ill. Adm. Code 299)
-First Notice Published: 43 Ill. Reg. 11815 – 10/18/19
-Second Notice Expires: 2/21/20

6. Supplemental Nutrition Assistance Program (SNAP) (89 Ill. Adm. Code 121)
-First Notice Published: 43 Ill. Reg. 11905 – 10/18/19
-Expiration of Second Notice: 3/18/20

Insurance

7. Variable Contracts (50 Ill. Adm. Code 1551)
-First Notice Published: 43 Ill. Reg. 12054 – 10/25/19
-Second Notice Expires: 2/21/20

8. General Provisions (50 Ill. Adm. Code 2500)
-First Notice Published: 43 Ill. Reg. 13494 – 12/2/19
-Second Notice Expires: 3/12/20

9. Fees and Charges (Repealer) (50 Ill. Adm. Code 2505)
-First Notice Published: 43 Ill. Reg. 13517 – 12/2/19
-Second Notice Expires: 3/12/20

10. Annual Privilage Tax (Repealer) (50 Ill. Adm. Code 2510)
-First Notice Published: 43 Ill. Reg. 13530 – 12/2/19
-Second Notice Expires: 3/12/20

11. Annual Retaliatory Tax (Repealer) (50 Ill. Adm. Code 2515)
-First Notice Published: 43 Ill. Reg. 13575 – 12/2/19
-Second Notice Expires: 3/12/20

12. Annual State Fire Marshal Tax (Repealer) (50 Ill. Adm. Code 2520)
-First Notice Published: 43 Ill. Reg. 13607 – 12/2/19

-Second Notice Expires: 3/12/20

13. Overpayments, Refunds, Amendments and Penalties (Repealer) (50 Ill. Adm. Code 2525)
-First Notice Published: 43 Ill. Reg. 13618 – 12/2/19
-Second Notice Expires: 3/12/20

14. Licensing and Suitability Requirements for the Solicitation of Variable Contracts (Repealer) (50 Ill. Adm. Code 3117)
-First Notice Published: 43 Ill. Reg. 12070 – 10/25/19
-Second Notice Expires: 2/23/20

15. Pre-Licensing and Continuing Education (50 Ill. Adm. Code 3119)
-First Notice Published: 43 Ill. Reg. 11067 – 10/11/19
-Second Notice Expires: 2/21/20

Natural Resources

16. Sport Fishing Regulations for the Waters of Illinois (17 Ill. Adm. Code 810)
-First Notice Published: 43 Ill. Reg. 13935 – 12/6/19
-Expiration of Second Notice: 3/12/20

17. Commercial Fishing and Musseling in Certain Waters of the State (17 Ill. Adm. Code 830)
-First Notice Published: 43 Ill. Reg. 14050 – 12/6/19
-Expiration of Second Notice: 3/12/20

18. Commerical Fishing in Lake Michigan (17 Ill. Adm. Code 850)
-First Notice Published: 43 Ill. Reg. 14060 – 12/6/19
-Expiration of Second Notice: 3/12/20

19. Illinois Natural Areas Stewardship Grant Program (17 Ill. Adm. Code 3051)
-First Notice Published: 43 Ill. Reg. 8657 – 8/16/19
-Expiration of Second Notice: 2/20/20

Public Health

20. Hospice Program (77 Ill. Adm. Code 280)
-First Notice Published: 43 Ill. Reg. 11908 – 10/18/19
-Second Notice Expires: 2/20/20

Revenue

21. Retailers' Occupation Tax (86 Ill. Adm. Code 130)
-First Notice Published: 43 Ill. Reg. 13190 – 11/15/19
-Second Notice Expires: 3/6/20

22. Cigarette Tax Act (86 Ill. Adm. Code 440)
-First Notice Published: 43 Ill. Reg. 13376 – 11/22/19
-Second Notice Expires: 3/6/20

23. Cigarette Use Tax Act (86 Ill. Adm. Code 450)
-First Notice Published: 43 Ill. Reg. 13266 – 11/15/19
-Second Notice Expires: 3/6/20

24. Tobacco Products Tax Act of 1995 (86 Ill. Adm. Code 660)
-First Notice Published: 43 Ill. Reg. 13687 – 12/2/19
-Second Notice Expires: 3/6/20

Teachers' Retirement System

25. The Administration and Operation of the Teachers' Retirement System (80 Ill. Adm. Code 1650)
-First Notice Published: 43 Ill. Reg. 13394 – 11/22/19
-Second Notice Expires: 2/21/20

Treasurer

26. Secure Choice Savings Program (74 Ill. Adm. Code 721)
-First Notice Published: 43 Ill. Reg. 14069 – 12/6/19
-Second Notice Expires: 3/8/20

EMERGENCY RULEMAKINGS

Agriculture

27. Cannabis Regulation and Tax Act (8 Ill. Adm. Code 1300)
-First Notice Published: 44 Ill. Reg. 1466 – 1/17/20

Commerce and Economic Opportunity

28. Cannabis Social Equity Program (14 Ill. Adm. Code 650)
-First Notice Published: 44 Ill. Reg. 292 – 1/3/20

Gaming Board

29. Sports Wagering (11 Ill. Adm. Code 1900)
-First Notice Published: 44 Ill. Reg. 314 – 1/3/20

Revenue

30. Retailers' Occupation Tax (86 Ill. Adm. Code 130)
-First Notice Published: 44 Ill. Reg. 552 – 1/10/20

31. Retailers' Occupation Tax (86 Ill. Adm. Code 130)
-First Notice Published: 44 Ill. Reg. 2055 – 1/24/20

32. Use Tax (86 Ill. Adm. Code 150)
-First Notice Published: 44 Ill. Reg. 383 – 1/3/20

33. Use Tax (86 Ill. Adm. Code 150)
-First Notice Published: 44 Ill. Reg. 577 – 1/10/20

34. Cannabis Cultivation Privilege Tax (86 Ill. Adm. Code 422)
-First Notice Published: 44 Ill. Reg. 594 – 1/10/20

35. Cannabis Purchaser Excise Tax (86 Ill. Adm. Code 423)
-First Notice Published: 44 Ill. Reg. 612 – 1/10/20

State Police

36. Firearm Dealer License Certification Act (20 Ill. Adm. Code 1232)
-First Notice Published: 44 Ill. Reg. 1681 – 1/17/20

PEREMPTORY RULEMAKING

Central Management Services

37. Pay Plan (80 Ill. Adm. Code 310)
-First Notice Published: 44 Ill. Reg. 2380 – 1/31/20

AGENCY RESPONSE

Insurance

38. Mistake in Benefit under Article 3 and Article 4 Pensions (50 Ill. Adm. Code 4450)
-First Notice Published: 43 Ill. Reg. 6242 – 5/31/19
-Agency Response: Agree

JOINT COMMITTEE ON ADMINISTRATIVE RULES

SECOND NOTICES RECEIVED

The following second notices were received during the period of January 28, 2020 through February 3, 2020. The rulemakings are scheduled for the February 18, 2020 meeting. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rulemaking should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

Second Notice Expires	Agency and Rule	Start of First Notice	JCAR Meeting
3/11/20	Financial and Professional Regulation, Wholesale Drug Distribution Licensing Act (68 Ill. Adm. Code 1510)	11/15/19 43 Ill.Reg. 13160	2/18/20
3/12/20	Chief Procurement Officer for Higher Education, Chief Procurement Officer for Public Institutions of Higher Education Standard Procurement (44 Ill. Adm. Code 4)	12/6/19 43 Ill.Reg. 13841	2/18/20
3/12/20	Natural Resources, Commercial Fishing in Lake Michigan (17 Ill. Adm. Code 850)	12/6/19 43 Ill. Reg. 14060	2/18/20
3/12/20	Natural Resources, Commercial Fishing and Musseling in Certain Waters of the State (17 Ill. Adm. Code 830)	12/6/19 43 Ill. Reg. 14050	2/18/20
3/12/20	Natural Resources, Sport Fishing Regulations for the Waters of Illinois (17 Ill. Adm. Code 810)	12/6/19 43 Ill. Reg. 13935	2/18/20
3/12/20	Insurance, Overpayments, Refunds, Amendments and Penalties (Repealer) (50 Ill. Adm. Code 2525)	12/2/19	2/18/20

JOINT COMMITTEE ON ADMINISTRATIVE RULES

SECOND NOTICES RECEIVED

		43 Ill. Reg. 13618	
3/12/20	Insurance, Annual State Fire Marshal Tax (Repealer) (50 Ill. Adm. Code 2520)	12/2/19 43 Ill. Reg. 13607	2/18/20
3/12/20	Insurance, Annual Retaliatory Tax (Repealer) (50 Ill. Adm. Code 2515)	12/2/19 43 Ill. Reg. 13575	2/18/20
12/2/19	Insurance, Annual Privilege Tax (Repealer) (50 Ill. Adm. Code 2510)	12/2/19 43 Ill. Reg. 13530	2/18/20
12/2/19	Insurance, Fees and Charges (Repealer) (50 Ill. Adm. Code 2505)	12/2/19 43 Ill. Reg. 13517	2/18/20
12/2/19	Insurance, General Provisions (50 Ill. Adm. Code 2500)	12/2/19 43 Ill. Reg. 13494	2/18/20
3/12/20	Healthcare and Family Services, Medical Payment (89 Ill. Adm. Code 140)	10/25/19 43 Ill. Reg. 12000	2/18/20

2020-3
Southern Illinois University School of Medicine Day

WHEREAS, in 1968, the Illinois Board of Higher Education recommended that Southern Illinois University create a medical school in downstate Illinois capable of graduating its first class of new physicians by 1978; and,

WHEREAS, under the direction of the founding dean, Dr. Richard H. Moy, Southern Illinois University School of Medicine was established in 1970 with a mission to educate physicians with a focus on primary care for central and southern Illinois; and,

WHEREAS, SIU School of Medicine was among the first to incorporate problem-based learning, surgical skills simulation, and standardized patients into the medical school curriculum; and,

WHEREAS, SIU School of Medicine engages in world-renowned research that covers a wide range of basic and clinical sciences, with special emphases on women's health, cancer, hearing, regenerative medicine, and aging; and,

WHEREAS, in its 50-year history, the SIU School of Medicine has trained more than 5,000 caring physicians and is internationally recognized for its innovative teaching and testing techniques; and,

WHEREAS, the School of Medicine has received five international awards for excellence in medical education for student engagement, student assessment, social accountability, medical simulation and curriculum innovation, and is the only medical school worldwide to hold five such awards; and,

WHEREAS, as a national leader in the percentage of graduates who enter primary care, SIU School of Medicine has more than 350 resident physicians and fellows training in 25 medical specialty areas; and,

WHEREAS, the health care professionals of SIU Medicine, the multispecialty group practice comprised of 284 physicians and their teams, provide comprehensive primary and specialty care for the people and communities of the region in medical offices, clinics, hospitals, and community venues; and,

WHEREAS, SIU School of Medicine has furthered its mission through the establishment of specific educational programs for physician assistants, medical scientists, and underrepresented groups in medicine; and,

WHEREAS, the school has been recognized for its diversity efforts and percentage of graduates from underrepresented groups in medicine; and,

WHEREAS, SIU School of Medicine is a community-based medical school that meets its mission through formal partnerships and collaborations with hospitals, health systems, and community agencies throughout its 66-county region, including 2.2 million residents; and,

WHEREAS, for 50 years, SIU School of Medicine has educated and trained generations of physicians and scientists to serve central and southern Illinois; and,

WHEREAS, the anniversary is a significant time to reflect on the past while considering the future contribution that the SIU School of Medicine will make to improve the health of the people and communities of Illinois and the world through education, clinical care, medical research and service;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby proclaim January 6, 2020 Southern Illinois University School of Medicine Day in Illinois and encourage all Illinoisans to join in this observance.

Issued by the Governor January 16, 2020
Filed by the Secretary of State February 3, 2020

2020-4
Career and Technical Education Month

WHEREAS, a commitment to career and technical education helps ensure Illinois has a strong, well-trained workforce that enhances productivity in business and industry, and solidifies the state's leadership in national and international marketplaces; and,

WHEREAS, providing residents with career and technical education stimulates growth of businesses and industries by preparing workers for the occupations forecasted to experience the fastest growth in the next decade; and,

WHEREAS, residents benefit from career and technical education because it enables the pursuit of satisfying careers suited to their personal skills and interests; provides the technical knowledge necessary for professional success; and teaches leadership skills that are useful on the job, at home, and in the community; and,

WHEREAS, for more than 90 years, the Illinois Association for Career and Technical Education (IACTE) has been committed to the betterment of the profession and to providing visibility and assistance for career and technical education; and,

WHEREAS, each year in the month of February, IACTE celebrates Career and Technical Education Month to promote the advancement of career and technical education professions in the state and the theme for this year's celebration is "Celebrate Today, Own Tomorrow!";

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby proclaim February 2020 as Career and Technical Education Month in Illinois and encourage all residents to become familiar with the services and benefits offered by career and technical education programs in our state and to support and participate in these programs to enhance individual work skills and productivity.

Issued by the Governor January 16, 2020
Filed by the Secretary of State February 3, 2020

2020-5
Four Chaplains Sunday

WHEREAS, February 2, 2020 marks the 77th Anniversary of one of the most inspiring acts of heroism in World War II; and,

WHEREAS, on that day in 1943 while transporting soldiers across the North Atlantic the U.S.A.T. Dorchester was struck by a torpedo, which knocked out the ship's electrical system, leaving the ship dark and creating panic among the men aboard as many of them were trapped below deck; and,

WHEREAS, in a final act of valor and courage, four U.S. Army first lieutenant chaplains Methodist Reverend George L. Fox, Roman Catholic Priest John P. Washington, Jewish Rabbi Alexander D. Goode, Dutch Reformed Faiths Reverend Clark V. Poling calmed the men and organized an orderly evacuation of the ship; and,

WHEREAS, as they helped guide wounded men to safety into life boats and as life jackets were passed out to the men, the supply ran out; the chaplains removed their own life jackets and gave them to others, linked arms to pray as the ship sank into the chilly waters of the North Atlantic; and,

WHEREAS, every year since, citizens across our country have remembered the courage and extraordinary display of bravery from these four heroic men of faith; and,

WHEREAS, this year's memorial program is hosted by the Military Order of the Purple Heart, Commander Michael Lash and is sponsored annually by the Combined Veterans Association;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, hereby proclaim Sunday, February 2, 2020 as Four Chaplains Sunday in Illinois to preserve the memory of these individuals who demonstrated the ultimate sacrifice at sea.

Issued by the Governor January 17, 2020
Filed by the Secretary of State February 3, 2020

2020-6
Congenital Heart Defect Awareness Week

WHEREAS, the health and well-being of our congenital heart patients is of paramount importance; and,

WHEREAS, each year in the United States, more than 40,000 babies are born with a congenital heart defect; and,

WHEREAS, the medical community has identified congenital heart defects as the leading cause of birth defect-related deaths; and,

WHEREAS, medical research can provide more identifiable means of the origins and symptoms of congenital heart defect; and,

WHEREAS, there is no cure for congenital heart defects and it is a lifelong disease requiring ongoing specialized care; and,

WHEREAS, fewer than ten percent of adults with congenital heart disease are receiving recommended care; and,

WHEREAS, it is crucial that individuals planning a family, fetal clinicians, obstetric physicians, pediatricians, and those in the medical field have a greater understanding of the potential for congenital heart defects; and,

WHEREAS, Congenital Heart Defect Awareness Week provides the opportunity for patients and families affected by this condition to share their experiences and knowledge so the general public may be aware of how this defect affects all our lives;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby proclaim February 7-14, 2020, Congenital Heart Defect Awareness Week and encourage all to join me in this special observance.

Issued by the Governor January 21, 2020
Filed by the Secretary of State February 3, 2020

2020-7
Women in Construction Week

WHEREAS, National Association of Women in Construction (NAWIC) Chicago Metro #325 has distinguished itself for 31 years as the voice of women in construction in Illinois; and,

WHEREAS, the work done by NAWIC Chicago Metro #325 has benefited Illinois through community development and educational programs; and,

WHEREAS, NAWIC Chicago Metro #325 has unceasingly promoted the employment and advancement of women in the construction industry; and,

WHEREAS, the construction community, represented by NAWIC Chicago Metro #325, has been a driving force in fostering community development through renovation and beautification projects; promotion of skilled trades careers; and a positive vision of the future; and,

WHEREAS, NAWIC Chicago Metro #325 has sought to achieve successful results for Illinois and surrounding areas in a cooperative spirit with other organizations;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby recognize NAWIC Chicago Metro #325 and its many dedicated volunteers for its steadfast work on behalf and support of women in construction, and do proudly proclaim the week of March 1-7, 2019 as "Women in Construction Week," and encourage our citizens to congratulate the organization on its many accomplishments.

Issued by the Governor January 21, 2020
Filed by the Secretary of State February 3, 2020

2020-8
Community Risk Reduction Week

WHEREAS, every 24 seconds a fire department in the United States responds to a fire somewhere in the nation, a fire occurs in a structure at the rate of one every 63 seconds, and a home fire occurs every 88 seconds; and,

WHEREAS, 77 percent of all fire deaths occurred in the home in 2017; and,

WHEREAS, home fires were responsible for 10,600 civilian injuries and 72 percent of all civilian injuries in 2017; and,

WHEREAS, an estimated $23 billion in property damage occurred as a result of fire in 2017; and,

WHEREAS, more than 58,000 wildfires burned nearly nine million acres and destroyed 25,000 structures in 2018; and,

WHEREAS, the fire service responds to a growing number of medical calls for service, surpassing 80 percent of total call volume in some jurisdictions; and,

WHEREAS, the fire service strives to reduce the impact of anticipated man-made and natural disasters, including fires, emergency medical calls, hurricanes, tornados, earthquakes, floods, and other hazardous events that have the potential to cause loss of life and damage to property, community infrastructure, and the environment; and,

WHEREAS, the fire service plays an integral role in community preparedness, as the President of the United States declared 118 major disasters in 2017 and 2018, which resulted in more than 3,500 deaths, countless injured, and over $400 billion in property damage; and,

WHEREAS, Community Risk Reduction is a data-informed process to identify and prioritize local risks, followed by integrated and strategic investment of resources to reduce their occurrence and impact; and,

WHEREAS, the value of community support from local, state, and national partners to address community risks is recognized to meet the demands on paid, combination, and volunteer members of the fire service; and,

WHEREAS, the goal of Community Risk Reduction is to reduce the occurrence and impact of emergency events for both community members and emergency responders through deliberate action in the areas of the five E's of Education, Engineering, Enforcement, Emergency response, and Economic incentive; and,

WHEREAS, most fire-related and many medical calls for service are preventable, with the five E's performed as part of an integrated Community Risk Reduction program;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, proclaim the week of January 20, 2020 be designated as Community Risk Reduction Week, a grassroots initiative of fire service professionals across the nation and Illinois to raise awareness of the importance of CRR in the fire service community and an opportunity to make communities safer.

Issued by the Governor January 22, 2020
Filed by the Secretary of State February 3, 2020

2020-9
Cervical Cancer Awareness Month

WHEREAS, January is recognized nationally as Cervical Cancer Awareness Month, which strives to promote education about cervical cancer causes, screenings, and treatments; and,

WHEREAS, in 2019, 13,170 women were estimated to be diagnosed with cervical cancer and 4,250 women were estimated to have lost their lives to cervical cancer in the United States; and,

WHEREAS, the Illinois Breast and Cervical Cancer Program offers free breast exams, mammograms, pelvic exams, Pap tests, diagnostic services, and referral to treatment options to eligible uninsured and underinsured women; and,

WHEREAS, with routine screening and follow-up, cervical cancer is highly preventable; and,

WHEREAS, early detection through routine screening can significantly increase chances of survival; and,

WHEREAS, throughout January, public and private organizations, as well as state and local governments around the country, will promote education about cervical cancer causes, screenings, and treatments;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby proclaim January 2020 as Cervical Cancer Awareness Month in Illinois, and encourage all women to receive regular screenings and invite each resident to join the continued fight against cervical cancer.

Issued by the Governor January 22, 2020
Filed by the Secretary of State February 3, 2020

2020-10
Chicago Tamil Sangam's Golden Jubilee Celebration Week

WHEREAS, Tamil is one of the longest-surviving classical languages in the world, dating back more than 2500 years, with the Tamil language widely spoken in southern India, Singapore, Sri Lanka, Malaysia and many other countries around the world; and,

WHEREAS, the Tamil community of Illinois has made significant contributions to our state's diverse culture and population, including charitable works, arts and culture, heritage preservation, entrepreneurship, healthcare, and education; and,

WHEREAS, Chicago Tamil Sangam is a registered non-profit cultural organization established in 1969 with an objective to provide a forum for the Tamil speaking population spread across the state of Illinois to discuss and exchange ideas about Tamil language, literature and culture; and focus on promoting the ancient and rich Tamil heritage to the younger generation; and,

WHEREAS, Chicago Tamil Sangam has developed strong partnerships with fellow residents over the last five decades, while simultaneously honoring their heritage and sharing the rich Tamil heritage; and,

WHEREAS, Chicago Tamil Sangam, the oldest Tamil organization in North America is among 50+ Tamil organizations, celebrated its golden jubilee during July 4 – 7, 2019 in conjunction with the 10th World Tamil Conference at Schaumburg, IL;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby proclaim July 4 – 7, 2019 as Chicago Tamil Sangam's Golden Jubilee Celebration Week in Illinois.

Issued by the Governor January 22, 2020
Filed by the Secretary of State February 3, 2020

2020-11
National Black HIV/AIDS Awareness Day

WHEREAS, black communities represent approximately 14 percent of the United States population and have the most severe burden of HIV infections compared to all other racial and ethnic groups in the United States; and,

WHEREAS, nearly 50 percent of individuals diagnosed with HIV between 2014 and 2018 were black, while 22 percent were white and 21 percent were Latino; and,

WHEREAS, the rate of new HIV infection among black Illinoisans was nearly three times that of Latino and 10 times that of white residents; and,

WHEREAS, viral suppression rates among black individuals are lower compared to all other racial and ethnic groups, with 52.9 percent of black residents virally suppressed in 2018, compared to 59.3 percent of Hispanic and 60.3 percent of white ones; and,

WHEREAS, National Black HIV/AIDS Awareness Day is a nationwide observance to call attention to the threat and devastating impact of HIV/AIDS on these communities and to raise awareness among all black Americans to get educated, tested, treated, and involved with their local HIV/AIDS community efforts; and,

WHEREAS, community involvement in promoting awareness and HIV testing is crucial to reducing stigma and identifying and treating undiagnosed individuals who are unaware of their infection;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby recognize February 7th, as National Black HIV/AIDS Awareness Day in Illinois and call this observance to the attention of all our residents.

Issued by the Governor January 22, 2020
Filed by the Secretary of State February 3, 2020

2020-12
Save Abandoned Infants Month

WHEREAS, the Illinois Abandoned Newborn Infant Protection Act allows parents to relinquish a newborn infant at a local hospital, police station, fire station, emergency medical facility, or college or university police station anonymously and free from prosecution; and,

WHEREAS, relinquished infants are initially in the custody of the state and then placed in a responsible and nurturing safe-haven; and,

WHEREAS, the Illinois Abandoned Newborn Infant Protection Act provides a safe alternative to abandonment for Illinois parents who feel they cannot cope with the responsibility of caring for a newborn infant; and,

WHEREAS, the state of Illinois hopes, as awareness of this Act increases, it will stop the abandonment of newborn infants – a practice that has led to healthy infants being found harmed, deceased, or in unsafe places; and,

WHEREAS, since the signing of the Illinois Abandoned Newborn Protection Act, numerous newborn infants have been safely relinquished; and,

WHEREAS, the Illinois Abandoned Newborn Infant Protection Act is a critical statute in the state of Illinois, as it affords a chance of a better life for abandoned newborn infants; and,

WHEREAS, a continued public awareness of the Act is necessary to fulfill the goals of protecting all newborn infants and providing parents with a responsible and safe way to relinquish a newborn infant;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby proclaim April 2020 as Save Abandoned Infants Month in Illinois and encourage all residents to recognize the importance of protecting abandoned infants and giving them the proper care they deserve.

Issued by the Governor January 22, 2020
Filed by the Secretary of State February 3, 2020

2020-13
Illinois Nurse Anesthetists Week

WHEREAS, Certified Registered Nurse Anesthetists (CRNAs), who safely administer more than 33 million anesthetics to patients each year, are essential to America's healthcare system; and,

WHEREAS, CRNAs are the primary providers of anesthesia care in rural Illinois, enabling healthcare facilities in medically underserved areas to offer obstetrical, surgical, and trauma stabilization services - in some states, CRNAs are the sole providers of anesthesia in nearly all rural hospitals; and,

WHEREAS, CRNAs practice in every setting requiring anesthesia: traditional hospital surgical suites; obstetrical delivery rooms; ambulatory surgical centers; the offices of dentists, podiatrists, ophthalmologists, and plastic surgeons; U.S. military, public health services, and Veterans Affairs medical facilities; and,

WHEREAS, CRNAs have served as the main provider of anesthesia to U.S. military personnel on the front lines since World War I, including current conflicts in the Middle East; and,

WHEREAS, since 1939, the Illinois Association of Nurse Anesthetists (IANA) has provided Illinois residents safe and cost-effective anesthesia care; and,

WHEREAS, IANA has a current membership of 1,800 CRNAs and is celebrating its 81st anniversary in 2020;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby proclaim the week of January 19-25, 2020 as Illinois Nurse Anesthetists Week, and urge all residents to join me in recognizing these healthcare professionals for their contribution to the quality of life in our state.

Issued by the Governor January 22, 2020
Filed by the Secretary of State February 3, 2020

2020-14
Desert Storm Remembrance Day

WHEREAS, Illinois military men and women have a long and proud tradition of honorably answering the call of duty to defend our country and our ideals of freedom and democracy around the world; and,

WHEREAS, 29 years ago, nearly 1,400 Illinois soldiers and airmen were among nearly 700,000 U.S. troops who risked their lives in the Persian Gulf during Operations Desert Shield and Desert Storm; and,

WHEREAS, during the mission to liberate Kuwait from invading Iraqi forces, 18 Illinoisans were among nearly 150 U.S. military personnel killed while courageously serving their country; and,

WHEREAS, the men and women, living and dead, who served in the United States Armed Forces during Operation Desert Storm have earned the gratitude and respect of all Illinoisans as well as a grateful nation; and,

WHEREAS, Operation Desert Storm ended with a cease-fire declared on February 28, 1991, after 42 days of armed conflict; and,

WHEREAS, the 29th anniversary of the Desert Storm cease-fire provides an opportunity for Illinois residents and patriots across the country to honor and remember those who served and those who died during this conflict;

THEREFORE, I, JB Pritzker, Governor of the State of Illinois, do hereby proclaim February 28, 2020, as Desert Storm Remembrance Day to honor all veterans of Operations Desert Shield and Desert Storm and to remember those who made the ultimate sacrifice in the service of their country.

Issued by the Governor January 22, 2020
Filed by the Secretary of State February 3, 2020

ILLINOIS ADMINISTRATIVE CODE
Issue Index - With Effective Dates

Rules acted upon in Volume 44, Issue 7 are listed in the Issues Index by Title number, Part number, Volume and Issue. Inquiries about the Issue Index may be directed to the Administrative Code Division at (217) 782-7017/18.

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