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**FINANCE****(30 ILCS 740/) Downstate Public Transportation Act.**

(30 ILCS 740/Art. I heading)

**ARTICLE I. TITLE, FINDINGS  
AND PURPOSES**

(30 ILCS 740/1-1) (from Ch. 111 2/3, par. 661)

Sec. 1-1. This Act shall be known and may be cited as the "Downstate Public Transportation Act".

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

(30 ILCS 740/1-2) (from Ch. 111 2/3, par. 661.01)

Sec. 1-2. (1) The General Assembly finds:

(a) that the predominant part of the State's population is located in its rapidly expanding metropolitan and urban areas;

(b) that the welfare and vitality of urban areas and the satisfactory movement of people and goods within such areas are being jeopardized by the deterioration or inadequate provision of urban transportation facilities and services and the intensification of traffic congestion; and

(c) that State financial assistance for the development of efficient and coordinated mass transportation systems is essential to the solution of these urban problems.

(2) The purposes of this Act are:

(a) to assist in the development of improved mass transportation systems; and

(b) to provide assistance to participants in financing such systems as provided in Section 7 of Article XIII of the Constitution.

(Source: P.A. 98-463, eff. 8-16-13.)

(30 ILCS 740/Art. II heading)

**ARTICLE II. DOWNSTATE PUBLIC****TRANSPORTATION ASSISTANCE**

(30 ILCS 740/2-1) (from Ch. 111 2/3, par. 662)

Sec. 2-1. As used in this Article, unless the context clearly requires otherwise, the following words and phrases have the meanings ascribed to them in Sections 2-2.01 through 2-2.07.

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

(30 ILCS 740/2-2.01) (from Ch. 111 2/3, par. 662.01)

Sec. 2-2.01. "Department" means the Illinois Department of Transportation.

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

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

Sec. 2-2.02. "Participant" means:

(1) a city, village, or incorporated town, a county, or a local mass transit district organized under the Local Mass Transit District Act (a) serving an urbanized area of over 50,000 population or (b) serving a nonurbanized area; or

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

(Source: P.A. 94-70, eff. 6-22-05.)

(30 ILCS 740/2-2.03) (from Ch. 111 2/3, par. 662.03)

Sec. 2-2.03. "Operating deficits" means the amount by which eligible operating expenses exceed revenue from fares, reduced fare reimbursements, rental of properties, advertising, and any other amounts collected and received by a provider of public transportation, which, under standard accounting practices, are properly classified as operating revenue or operating income attributable to providing public transportation and revenue from any federal financial assistance received by the participant to defray operating expenses or deficits. For purposes of determining operating deficits, local effort from local taxes or its equivalent shall not be included as operating revenue or operating income. Provided, however, under the provisions of this Act with respect to any operating deficit incurred by any Metro-East Transit District participant, such operating deficits shall be limited solely to those arising out of operations within the State of Illinois.

(Source: P.A. 86-590.)

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

Sec. 2-2.04. "Eligible operating expenses" means all expenses required for public transportation, including employee wages and benefits, materials, fuels, supplies, rental of facilities, taxes other than income taxes, payment made for debt service (including principal and interest) on publicly owned equipment or facilities, and any other expenditure which is an operating expense according to standard accounting practices for the providing of public transportation. Eligible operating expenses shall not include allowances: (a) for depreciation whether funded or unfunded; (b) for amortization of any intangible costs; (c) for debt service on capital acquired with the assistance of capital grant funds provided by the State of Illinois; (d) for profits or return on investment; (e) for excessive payment to associated entities; (f) for Comprehensive Employment Training Act expenses; (g) for costs reimbursed under Sections 6 and 8 of the "Urban Mass Transportation Act of 1964", as amended; (h) for entertainment expenses; (i) for charter expenses; (j)

for fines and penalties; (k) for charitable donations; (l) for interest expense on long term borrowing and debt retirement other than on publicly owned equipment or facilities; (m) for income taxes; or (n) for such other expenses as the Department may determine consistent with federal Department of Transportation regulations or requirements. In consultation with participants, the Department shall, by October 2008, promulgate or update rules, pursuant to the Illinois Administrative Procedure Act, concerning eligible expenses to ensure consistent application of the Act, and the Department shall provide written copies of those rules to all eligible recipients. The Department shall review this process in the same manner no less frequently than every 5 years.

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

With respect to participants receiving federal research development and demonstration operating assistance funds for operating assistance pursuant to Section 6 of the "Urban Mass Transportation Act of 1964", as amended, during the fiscal year ending June 30, 1979, the maximum eligible operating expenses for any such participant in any fiscal year after Fiscal Year 1980 shall not exceed such participant's eligible operating expenses for the fiscal year ending June 30, 1980, plus in each year a 10% increase over the maximum established for the preceding fiscal year. For Fiscal Year 1980, the maximum eligible operating expenses for any such participant shall be the eligible operating expenses incurred during such fiscal year, or projected operating expenses upon which the appropriation for such participant for the Fiscal Year 1980 is based; whichever is less.

With respect to all participants other than any Metro-East Transit District participant, the maximum eligible operating expenses for any such participant in any fiscal year after Fiscal Year 1985 (except Fiscal Year 2008 and Fiscal Year 2009) shall be the amount appropriated for such participant for the fiscal year ending June 30, 1985, plus in each year a 10% increase over the maximum established for the preceding year. For Fiscal Year 1985, the maximum eligible operating expenses for any such participant shall be the amount of projected operating expenses upon which the appropriation for such participant for Fiscal Year 1985 is based.

With respect to any mass transit district participant that has increased its district boundaries by annexing counties since 1998 and is maintaining a level of local financial support, including all income and revenues, equal to or greater than the level in the State fiscal year ending June 30, 2001, the maximum eligible operating expenses for any State fiscal year after 2002 (except State fiscal years 2006 through 2009) shall be the amount appropriated for that

participant for the State fiscal year ending June 30, 2002, plus, in each State fiscal year, a 10% increase over the preceding State fiscal year. For State fiscal year 2002, the maximum eligible operating expenses for any such participant shall be the amount of projected operating expenses upon which the appropriation for that participant for State fiscal year 2002 is based. For that participant, eligible operating expenses for State fiscal year 2002 in excess of the eligible operating expenses for the State fiscal year ending June 30, 2001, plus 10%, must be attributed to the provision of services in the newly annexed counties.

With respect to a participant that receives an initial appropriation in State fiscal year 2002 or thereafter, the maximum eligible operating expenses for any State fiscal year after 2003 (except State fiscal years 2006 through 2009) shall be the amount appropriated for that participant for the State fiscal year in which it received its initial appropriation, plus, in each year, a 10% increase over the preceding year. For the initial State fiscal year in which a participant received an appropriation, the maximum eligible operating expenses for any such participant shall be the amount of projected operating expenses upon which the appropriation for that participant for that State fiscal year is based.

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

With respect to the District serving primarily Madison County, beginning July 1, 2008, the Madison County Transit District shall no longer be included for new appropriation funding purposes as part of the Metro-East Public Transportation Fund and instead shall be included for new appropriation funding purposes as part of the Downstate Public Transportation Fund; provided, however, that nothing herein shall alter the eligibility of that District for previously appropriated funds to which it would otherwise be entitled.

With respect to the fiscal year beginning July 1, 2007, and thereafter, the following shall be included for new appropriation funding purposes as part of the Downstate Public Transportation Fund: Bond County; Bureau County; Coles County; Edgar County; Stephenson County and the City of Freeport; Henry County; Jo Daviess County; Kankakee and McLean Counties; Peoria County; Piatt County; Shelby County; Tazewell and Woodford Counties; Vermilion County; Williamson County; and Kendall County.

(Source: P.A. 94-70, eff. 6-22-05; 95-708, eff. 1-18-08.)

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

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

(1) within the urbanized area or

(2) in the nonurbanized areas within the service area of each participant as approved by the Department, except for

transportation by automobiles not used for conveyance of the general public as passengers.

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

(Source: P.A. 94-70, eff. 6-22-05.)

(30 ILCS 740/2-2.06) (from Ch. 111 2/3, par. 662.06)

Sec. 2-2.06. "Fiscal year" means the fiscal year of the State of Illinois from July 1 to the next succeeding June 30 unless the intention is clearly stated to mean another fiscal year.

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

(30 ILCS 740/2-2.07) (from Ch. 111 2/3, par. 662.07)

Sec. 2-2.07. "Rural Transportation Assistance - Demonstration Project" means the provision of public transportation service to rural areas in Illinois, designated by the Department, which are not within the boundaries of a participant, for the purpose of providing such service on a regular and continuing basis to the general public with special needs in the rural areas throughout the State.

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

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

Sec. 2-3. (a) As soon as possible after the first day of each month, beginning July 1, 1984, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, from the General Revenue Fund to a special fund in the State Treasury which is hereby created, to be known as the "Downstate Public Transportation Fund", an amount equal to 2/32 (beginning July 1, 2005, 3/32) of the net revenue realized from the "Retailers' Occupation Tax Act", as now or hereafter amended, the "Service Occupation Tax Act", as now or hereafter amended, the "Use Tax Act", as now or hereafter amended, and the "Service Use Tax Act", as now or hereafter amended, from persons incurring municipal or county retailers' or service occupation tax liability for the benefit of any municipality or county located wholly within the boundaries of each participant other than any Metro-East Transit District participant certified pursuant to subsection (c) of this Section during the preceding month, except that the Department shall pay into the Downstate Public Transportation Fund 2/32 (beginning July 1, 2005, 3/32) of 80% of the net revenue realized under the State tax Acts named above within any municipality or county located wholly within the boundaries of each participant, other than any Metro-East participant, for tax periods beginning on or after January 1, 1990. Net revenue realized for a month shall be the revenue collected by the State pursuant to such Acts during the previous month from persons incurring municipal or county retailers' or service occupation tax liability for the benefit of any municipality or county located wholly within the boundaries of a participant, less the amount paid out during that same month as refunds or credit memoranda to taxpayers for overpayment of liability under such Acts for the benefit of any municipality

or county located wholly within the boundaries of a participant.

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

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

(b-6) As soon as possible after the first day of each month, beginning July 1, 2008, upon certification by the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer, from the General Revenue Fund to the Downstate Public Transportation Fund, an amount equal to  $\frac{3}{32}$  of 80% of the net revenue realized from within the boundaries of Madison County under the State Tax Acts specified in subsection (a) of this Section and provided further that, beginning July 1, 2008, the provisions of subsection (b) shall no longer apply with respect to such tax receipts from Madison County.

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

(d) For the purposes of this Article, beginning in fiscal year 2009 the General Assembly shall appropriate an amount from the Downstate Public Transportation Fund equal to the sum total funds projected to be paid to the participants pursuant to Section 2-7. If the General Assembly fails to make appropriations sufficient to cover the amounts projected to be paid pursuant to Section 2-7, this Act shall constitute an irrevocable and continuing appropriation from the Downstate

Public Transportation Fund of all amounts necessary for those purposes.

(e) Notwithstanding anything in this Section to the contrary, amounts transferred from the General Revenue Fund to the Downstate Public Transportation Fund pursuant to this Section shall not exceed \$169,000,000 in State fiscal year 2012.

(Source: P.A. 97-641, eff. 12-19-11.)

(30 ILCS 740/2-4) (from Ch. 111 2/3, par. 664)

Sec. 2-4. The Department shall establish forms for the reporting of projected and actual operating deficits and expenses and other required information by the participants, and has the power to promulgate rules and regulations for the filing of such reports within the limitations set out in Sections 2-5, 2-6 and 2-7.

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

(30 ILCS 740/2-5) (from Ch. 111 2/3, par. 665)

Sec. 2-5. Each participant making application for grants pursuant to this Article shall submit to the Department at the time of making such application, on forms provided by the Department: (a) an estimate of projected operating deficits and a separate statement of eligible operating expenses and an estimate of all projected operating income or revenues; and (b) a program of proposed expenditures; all such submittals to be for the period of such grant. The program of proposed expenditures shall be directly related to the operation, maintenance or improvement of an existing system of public transportation serving the residents of the participant, and shall include the proposed expenditures for eligible operating expenses.

For Fiscal Year 1980 grant applications shall be submitted to the Department within 60 days of the effective date of this amendatory Act of 1979. Beginning with Fiscal Year 1981 and thereafter, grant applications shall be submitted to the Department by April 1 of the preceding fiscal year.

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

(30 ILCS 740/2-5.1)

Sec. 2-5.1. Additional requirements.

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

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

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

(3) Any participant serving a nonurbanized area that

is not receiving Federal Section 5311 funding must meet the operating and safety compliance requirements as set forth in that federal program.

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

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

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

(d) The Department shall develop an annual application process for existing or potential participants to request an initial appropriation or an appropriation exceeding the formula amount found in subsection (b-10) of Section 2-7 for funding service in new areas in the next fiscal year. The application shall include, but not be limited to, a description of the new service area, proposed service in the new area, and a budget for providing existing and new service. The Department shall review the application for reasonableness and compliance with the requirements of this Section, and, if it approves the application, shall recommend to the Governor an appropriation for the next fiscal year in an amount sufficient to provide 65% of projected eligible operating expenses associated with a new participant's service area or the portion of an existing participant's service area that has been expanded by annexation or intergovernmental agreement. The recommended appropriation for the next fiscal year may exceed the formula amount found in subsection (b-10) of Section 2-7.

(Source: P.A. 99-143, eff. 7-27-15.)

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

**Sec. 2-6. Allocation of funds.**

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



than the percentage of such participant's eligible operating expenses provided for in paragraph (b) of Section 2-7, provided however, that no other participant is denied its percentage of eligible operating expenses.

(b) With regard to any Metro-East Transit District organized under the Local Mass Transit District Act and serving one or more of the Counties of Madison, Monroe and St. Clair during Fiscal Year 1989, the Department shall allocate the funds to be made available to each participant for the following and succeeding fiscal years and shall notify the chief official of each participant not later than the first day of the fiscal year of this amount. Beginning July 1, 2005, and ending June 30, 2008, the Department shall allocate the amount paid into the Metro-East Public Transportation Fund to the District serving primarily the County of Madison. (Source: P.A. 94-70, eff. 6-22-05; 95-708, eff. 1-18-08.)

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

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

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

(b) Each participant other than any Metro-East Transit District participant shall, 30 days before the end of each quarter, file with the Department on forms provided by the Department for such purposes a report of the projected eligible operating expenses to be incurred in the next quarter and 30 days before the third and fourth quarters of any fiscal year a statement of actual eligible operating expenses incurred in the preceding quarters. Except as otherwise provided in subsection (b-5), within 45 days of receipt by the Department of such quarterly report, the Comptroller shall order paid and the Treasurer shall pay from the Downstate Public Transportation Fund to each participant an amount equal to one-third of such participant's eligible operating expenses; provided, however, that in Fiscal Year 1997, the amount paid to each participant from the Downstate Public Transportation Fund shall be an amount equal to 47% of such participant's eligible operating expenses and shall be increased to 49% in Fiscal Year 1998, 51% in Fiscal Year 1999, 53% in Fiscal Year 2000, 55% in Fiscal Years 2001 through 2007, and 65% in Fiscal Year 2008 and thereafter; however, in any year that a participant receives funding under subsection (i) of Section 2705-305 of the Department of Transportation Law (20 ILCS 2705/2705-305), that participant shall be eligible only for assistance equal to the following percentage of its eligible operating expenses: 42% in Fiscal Year 1997, 44% in Fiscal Year 1998, 46% in Fiscal Year 1999, 48% in Fiscal Year 2000, and 50% in Fiscal Year 2001 and thereafter. Any such payment for the third and fourth quarters of any fiscal year shall be adjusted to reflect actual eligible

operating expenses for preceding quarters of such fiscal year. However, no participant shall receive an amount less than that which was received in the immediate prior year, provided in the event of a shortfall in the fund those participants receiving less than their full allocation pursuant to Section 2-6 of this Article shall be the first participants to receive an amount not less than that received in the immediate prior year.

(b-5) (Blank.)

(b-10) On July 1, 2008, each participant shall receive an appropriation in an amount equal to 65% of its fiscal year 2008 eligible operating expenses adjusted by the annual 10% increase required by Section 2-2.04 of this Act. In no case shall any participant receive an appropriation that is less than its fiscal year 2008 appropriation. Every fiscal year thereafter, each participant's appropriation shall increase by 10% over the appropriation established for the preceding fiscal year as required by Section 2-2.04 of this Act.

(b-15) Beginning on July 1, 2007, and for each fiscal year thereafter, each participant shall maintain a minimum local share contribution (from farebox and all other local revenues) equal to the actual amount provided in Fiscal Year 2006 or, for new recipients, an amount equivalent to the local share provided in the first year of participation. The local share contribution shall be reduced by an amount equal to the total amount of lost revenue for services provided under Section 2-15.2 and Section 2-15.3 of this Act.

(b-20) Any participant in the Downstate Public Transportation Fund may use State operating assistance pursuant to this Section to provide transportation services within any county that is contiguous to its territorial boundaries as defined by the Department and subject to Departmental approval. Any such contiguous-area service provided by a participant after July 1, 2007 must meet the requirements of subsection (a) of Section 2-5.1.

(c) No later than 180 days following the last day of the Fiscal Year each participant shall provide the Department with an audit prepared by a Certified Public Accountant covering that Fiscal Year. For those participants other than a Metro-East Transit District, any discrepancy between the grants paid and the percentage of the eligible operating expenses provided for by paragraph (b) of this Section shall be reconciled by appropriate payment or credit. In the case of any Metro-East Transit District, any amount of payments from the Metro-East Public Transportation Fund which exceed the eligible deficit of the participant shall be reconciled by appropriate payment or credit.

(Source: P.A. 94-70, eff. 6-22-05; 95-708, eff. 1-18-08; 95-906, eff. 8-26-08.)

(30 ILCS 740/2-9) (from Ch. 111 2/3, par. 669)

Sec. 2-9. Each program of proposed expenditures shall, in the case of a system of public transportation owned and operated by a participant, undertake to meet operating deficits directly. Grants to a participant may be made for services provided through purchase of service agreements with a provider of public transportation services.

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

(30 ILCS 740/2-10) (from Ch. 111 2/3, par. 670)

Sec. 2-10. Cooperative projects. Nothing in this Act shall

prohibit any participant from including in a program of proposed expenditures funding for a portion of a cooperative public transportation project or purpose, the total cost of which is shared among one or more other participants or other financial contributors, as long as the residents of the participant are served by any such project or purpose.  
(Source: P.A. 82-783.)

(30 ILCS 740/2-11) (from Ch. 111 2/3, par. 671)

**Sec. 2-11. The Department shall** review and approve or disapprove within 45 days of receipt each program of proposed expenditures submitted by any participant pursuant to the provisions of Section 2-5. The Department may disapprove a program of proposed expenditures or portions thereof only for the following reasons:

(a) A finding that expenditures are proposed for projects or purposes which are not in compliance with Section 2-5; or

(b) A finding that expenditures are proposed for projects or purposes which are in conflict with established comprehensive transportation plans for a participant or a region of which it is a part; or

(c) In Fiscal Year 1980, with regard to the participants which have not received State operating assistance prior to the effective date of this amendatory Act of 1979, a finding by the Department that a proposed program submitted by such participant or any portion thereof is not in the public interest in that levels or kinds of service proposed exceeds the reasonable needs of the community served by such participant as demonstrated in the transportation development plan for such community or other studies and information available to the Department.

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

(30 ILCS 740/2-12) (from Ch. 111 2/3, par. 672)

**Sec. 2-12. Disapproval of program.** Upon disapproval of any program of proposed expenditures, the Department shall so notify the chief official of the participant having submitted such program, setting forth in detail the reasons for such disapproval. Thereupon, any such participant shall have 45 days from the date of receipt of such notice of disapproval by the Department to submit to the Department one or more amended programs of proposed expenditures.

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

(30 ILCS 740/2-13) (from Ch. 111 2/3, par. 673)

**Sec. 2-13. Review of amended programs.** The Department shall review each amended program of proposed expenditures submitted to it pursuant to the provisions of Section 2-12 and may disapprove any such amended program of proposed expenditures only for the reasons and in the same fashion set forth in Section 2-11.

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

(30 ILCS 740/2-14) (from Ch. 111 2/3, par. 674)

**Sec. 2-14. Grants.** (a) Upon a determination by the Department that any initial or amended program of proposed expenditures is in compliance with the provisions of this Act, and upon approval thereof, the Department shall enter into one or more grant agreements with and shall make grants to that participant as necessary to implement the adopted program of

expenditures.

(b) All grants by the Department pursuant to this Act shall be administered upon such conditions as the Secretary of Transportation shall determine, consistent with the provisions and purpose of this Act.

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

(30 ILCS 740/2-15) (from Ch. 111 2/3, par. 675.1)

**Sec. 2-15. Residual fund balance.**

(a) Except as otherwise provided in this Section, all funds which remain in the Downstate Public Transportation Fund or the Metro-East Public Transportation Fund after the payment of the fourth quarterly payment to participants other than Metro-East Transit District participants and the last monthly payment to Metro-East Transit participants in each fiscal year shall be transferred (i) to the General Revenue Fund through fiscal year 2008 and (ii) to the Downstate Transit Improvement Fund for fiscal year 2009 and each fiscal year thereafter. Transfers shall be made no later than 90 days following the end of such fiscal year. Beginning fiscal year 2010, all moneys each year in the Downstate Transit Improvement Fund, held solely for the benefit of the participants in the Downstate Public Transportation Fund and shall be appropriated to the Department to make competitive capital grants to the participants of the respective funds. However, such amount as the Department determines to be necessary for (1) allocation to participants for the purposes of Section 2-7 for the first quarter of the succeeding fiscal year and (2) an amount equal to 2% of the total allocations to participants in the fiscal year just ended to be used for the purpose of audit adjustments shall be retained in such Funds to be used by the Department for such purposes.

(b) Notwithstanding any other provision of law, in addition to any other transfers that may be provided by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the Metro East Public Transportation Fund into the General Revenue Fund. Upon completion of the transfers, the Metro East Public Transportation Fund is dissolved, and any future deposits due to that Fund and any outstanding obligations or liabilities of that Fund pass to the General Revenue Fund.

(Source: P.A. 97-72, eff. 7-1-11.)

(30 ILCS 740/2-15.1) (from Ch. 111 2/3, par. 676)

**Sec. 2-15.1. Beginning**

July 1, 1992, every participant, as defined in Section 2-2.02 (1)(a), shall require all gasoline burning motor vehicles operated under its jurisdiction to use, if capable, fuel containing ethanol blended gasoline.

(Source: P.A. 87-373.)

(30 ILCS 740/2-15.2)

**Sec. 2-15.2. Free services; eligibility.**

(a) Notwithstanding any law to the contrary, no later than 60 days following the effective date of this amendatory Act of the 95th General Assembly and until subsection (b) is implemented, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, every participant, as defined in Section 2-2.02 (1)(a), shall be provided without charge to all senior citizen

residents of the participant aged 65 and older, under such conditions as shall be prescribed by the participant.

(b) Notwithstanding any law to the contrary, no later than 180 days following the effective date of this amendatory Act of the 96th General Assembly, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, every participant, as defined in Section 2-2.02 (1)(a), shall be provided without charge to senior citizens aged 65 and older who meet the income eligibility limitation set forth in subsection (a-5) of Section 4 of the Senior Citizens and Persons with Disabilities Property Tax Relief Act, under such conditions as shall be prescribed by the participant. The Department on Aging shall furnish all information reasonably necessary to determine eligibility, including updated lists of individuals who are eligible for services without charge under this Section. Nothing in this Section shall relieve the participant from providing reduced fares as may be required by federal law.

(Source: P.A. 99-143, eff. 7-27-15.)

(30 ILCS 740/2-15.3)

Sec. 2-15.3. Transit services for individuals with disabilities. Notwithstanding any law to the contrary, no later than 60 days following the effective date of this amendatory Act of the 95th General Assembly, all fixed route public transportation services provided by, or under grant or purchase of service contract of, any participant shall be provided without charge to all persons with disabilities who meet the income eligibility limitation set forth in subsection (a-5) of Section 4 of the Senior Citizens and Persons with Disabilities Property Tax Relief Act, under such procedures as shall be prescribed by the participant. The Department on Aging shall furnish all information reasonably necessary to determine eligibility, including updated lists of individuals who are eligible for services without charge under this Section.

(Source: P.A. 99-143, eff. 7-27-15.)

(30 ILCS 740/2-16) (from Ch. 111 2/3, par. 677)

Sec. 2-16. (a) Pursuant to appropriation therefor, the Department may enter into grant agreements with and make grants to counties and any private nonprofit corporation providing public transportation services and receiving Rural Highway Public Transportation Demonstration Program Funds from the federal Department of Transportation during the Fiscal Year ending June 30, 1979, for operating deficits incurred in providing public transportation to rural areas. Such program of grants shall be known as the Rural Highway Public Transportation Assistance-Demonstration Project. Grants made pursuant to this Section shall be made only in connection with grants from the Federal government or any department or agency thereof.

(b) No grants may be made by the Department pursuant to this Section for costs incurred for providing public transportation services, routes or projects prior to July 1, 1979.

(c) No county board or private nonprofit corporation shall be reimbursed for public transportation operations which interfere with or which are in competition with existing public transportation service.

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

(30 ILCS 740/2-17) (from Ch. 111 2/3, par. 678)

Sec. 2-17. County authorization to provide public transportation and to apply for grants in connection therewith. (a) Any county or counties may, by ordinance, operate or otherwise provide for public transportation within such county or counties. In order to so provide for such public transportation, any county or counties may enter into agreements with any individual, corporation or other person or private or public entity to operate or otherwise assist in the provision of such public transportation services. Upon the execution of an agreement for the operation of such public transportation, the operator shall file 3 copies of such agreement certified by the clerk of the county executing the same with the Illinois Commerce Commission. Thereafter the Illinois Commerce Commission shall enter an order directing compliance by the operator with the provisions of Sections 55a and 55b of "An Act concerning public utilities", approved June 28, 1921, as amended.

(b) Any county may apply for, accept and expend grants, loans or other funds from the State of Illinois or any department or agency thereof, from any unit of local government, from the federal government or any department or agency thereof, or from any other person or entity, for use in connection with any public transportation provided pursuant to this Section.

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

(30 ILCS 740/2-18) (from Ch. 111 2/3, par. 680)

Sec. 2-18. Exemption from regulation. Rural transportation assistance-demonstration projects shall not be subject to regulation by the Illinois Commerce Commission except as provided by paragraph (a) of Section 2-17 of this Act.

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

(30 ILCS 740/Art. III heading)

### ARTICLE III. NONURBANIZED AREA PUBLIC

#### TRANSPORTATION ASSISTANCE

(30 ILCS 740/3-1) (from Ch. 111 2/3, par. 681)

Sec. 3-1. As used in this Article, unless the context clearly requires otherwise, the following words and phrases have the meanings ascribed to them in Sections 3-1.01 through 3-1.09.

(Source: P.A. 83-1471.)

(30 ILCS 740/3-1.01) (from Ch. 111 2/3, par. 682)

Sec. 3-1.01. "Department" means the Illinois Department of Transportation.

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

(30 ILCS 740/3-1.02) (from Ch. 111 2/3, par. 683)

Sec. 3-1.02. "Participant" means any county located outside the boundaries of the Regional Transportation Authority as established under the Regional Transportation Authority Act and outside the Bi-State Metropolitan Development District established under an Act approved July

26, 1949, except that beginning, July 1, 1987 the counties within the boundaries of the Bi-State Metropolitan Development District may be eligible for capital assistance only, or within such county any municipality with 20,000 or more population that is not included in an urbanized area or the boundaries of a local mass transit district; or within such county any municipality with 20,000 or less population receiving State mass transportation operating assistance under the Downstate Public Transportation Act during Fiscal Year 1979; or within such county or counties a local mass transit district organized under the local Mass Transit District Act which is not included in an urbanized area or the boundaries of a local mass transit district which includes an urbanized area; provided, however, that no such entity shall be eligible to participate unless it agrees to adhere to the regulations and requirements of the Secretary of Transportation of the federal Department of Transportation affecting Section 18 assistance or any other conditions as deemed reasonable and necessary by the Illinois Department of Transportation.

(Source: P.A. 87-1235.)

(30 ILCS 740/3-1.03) (from Ch. 111 2/3, par. 684)

Sec. 3-1.03. "Operating deficits" means the amount by which eligible operating expenses exceed revenues from nonreimbursable fares, rental of properties, advertising, and any other amounts collected or received in the process of providing public transportation under this Article which, under standard accounting practices for the providing of public transportation are properly classified as operating revenue or operating income attributable to providing public transportation under this Article. For purposes of determining operating deficits, operating revenue or operating income shall not include such funds as the Department may determine consistent with federal Department of Transportation regulations and requirements affecting Section 18.

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

(30 ILCS 740/3-1.04) (from Ch. 111 2/3, par. 685)

Sec. 3-1.04. "Eligible operating expenses" means those expenses required to provide public transportation, including drivers wages and benefits, mechanics wages and benefits, contract maintenance services, materials and supplies directly related to transit and maintenance of vehicles, fuels and lubricants, rentals or leases of vehicles, taxes other than income taxes, payment made for debt service (including principal and interest) on publicly owned equipment and facilities, and any other expenditure which is an operating expense according to standard accounting practices for the providing of public transportation and which is not defined as an "eligible administrative expense" by Section 3-1.09 of this Article.

"Eligible operating expenses" shall not include allowances: (a) for depreciation whether funded or unfunded; (b) for amortization of any intangible costs; (c) for debt service on capital acquired with the assistance of capital grant funds provided by the State of Illinois; (d) for profits or return on investments; (e) for excessive payment to associated entities; (f) for cost reimbursed under Sections 6 and 8 of the "Urban Mass Transportation Act of 1964", as amended; (g) for entertainment expenses; (h) for charter expenses; (i) for fines and penalties; (j) for charitable

donations; (k) for interest expense on long term borrowing and debt retirement other than on publicly owned equipment or facilities; (l) for income taxes; (m) for expenses defined as "eligible administrative expenses" in Section 3-1.09 of this Article; or (n) for such other expenses as the Department may determine consistent with federal Department of Transportation regulations and requirements.

(Source: P.A. 91-357, eff. 7-29-99.)

(30 ILCS 740/3-1.05) (from Ch. 111 2/3, par. 686)

Sec. 3-1.05. "Public Transportation" means the transportation or conveyance of persons within nonurbanized areas within the service area of each participant as approved by the Department by means available to the general public or groups of the general public with special needs.

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

(30 ILCS 740/3-1.06) (from Ch. 111 2/3, par. 687)

Sec. 3-1.06. "Fiscal Year" means the fiscal year of the State of Illinois from July 1 to the next succeeding June 30 unless the intention is clearly stated to mean another fiscal year.

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

(30 ILCS 740/3-1.07) (from Ch. 111 2/3, par. 688)

Sec. 3-1.07. "Section 18" means Section 18 of the "Urban Mass Transportation Act of 1964", as amended.

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

(30 ILCS 740/3-1.08) (from Ch. 111 2/3, par. 689)

Sec. 3-1.08. "Capital expenses" means any expenditure of monies for equipment or facilities necessary for provision of public transportation services.

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

(30 ILCS 740/3-1.09) (from Ch. 111 2/3, par. 689.1)

Sec. 3-1.09. "Eligible administrative expenses" means those expenses required to provide public transportation, other than those defined as "eligible operating expenses" in Section 3-1.04 of this Act, including, but not limited to, general, administrative and overhead costs such as salaries of the project director, office personnel such as secretary and bookkeeper, office supplies, facilities, rental, insurance, marketing, and interest on short-term loans for operating assistance. "Eligible administrative expenses" shall not include allowances: (a) for depreciation whether funded or unfunded; (b) for amortization of any intangible costs; (c) for debt service on capital acquired with the assistance of capital grant funds provided by the State of Illinois; (d) for profits or return on investments; (e) for excessive payment to associated entities; (f) for costs reimbursed under Sections 6 and 8 of the "Urban Mass Transportation Act of 1964", as amended; (g) for entertainment expenses; (h) for charter expenses; (i) for fines and penalties; (j) for charitable donations; (k) for interest expense on long term borrowing and debt retirement other than on publicly owned equipment or facilities; (l) for income taxes; (m) for those expenses defined as "eligible operating expenses" under Section 3-1.04 of this Article; or (n) for such other expenses as the Department may determine consistent with federal Department of



Transportation regulations and requirements.  
(Source: P.A. 91-357, eff. 7-29-99.)

(30 ILCS 740/3-2) (from Ch. 111 2/3, par. 690)

Sec. 3-2. The Department shall establish forms for the reporting of projected and actual operating deficits, operating expenses and administrative expenses and expenses and other required information by the participants, and has the power to promulgate rules and regulations implementing this Article.

(Source: P.A. 83-1471.)

(30 ILCS 740/3-3) (from Ch. 111 2/3, par. 691)

Sec. 3-3. Each participant applying for a grant pursuant to this Article shall submit a formal application to the Department on forms provided by the Department. An application for operating assistance shall include: (a) an estimate of projected administrative expenses; (b) an estimate of projected operating deficits (including a separate statement of eligible operating expenses and an estimate of all projected operating income or revenues); (c) a program of proposed expenditures; (d) a certification to the Department by the participant that it will supply or cause to be supplied funds, which together with funds made available under this Article will be sufficient to meet the total eligible operating expenses and (e) such other information, undertakings and representations as the Department may require. An application for capital assistance shall include: (a) a description of the project for which the capital expenditure is to be made, including the estimated costs for such project; (b) a certification by the participant that it will supply or cause to be supplied funds, which together with funds made available under this Article, will be sufficient to meet the total project cost; and (c) such other information, undertakings and representations as the Department may require.

For Fiscal Year 1980 preliminary grant requests containing such information as the Department may require shall be submitted to the Department within 30 days after the promulgation of rules and regulations implementing the nonurbanized area public transportation assistance program. Formal application shall be submitted to the Department in accordance with dates established by the Department and published in such rules and regulations. For Fiscal Year 1981 and thereafter a preliminary request shall be submitted no later than April 1 of the year immediately preceding such Fiscal Year. Formal application shall be submitted to the Department by July 1 of such year.

(Source: P.A. 83-1471.)

(30 ILCS 740/3-4) (from Ch. 111 2/3, par. 692)

Sec. 3-4. The Department is authorized to receive Section 18 funds and to make grants for operating and capital assistance to participants which are eligible to receive such funds. Such grants shall not exceed funds to be made available to the State from the federal government for such purposes. Of funds appropriated in any fiscal year for participants which are not eligible for assistance under Article II of this Act, the Department shall apportion 75% of such funds among regions established by the Department. Such distribution shall be

calculated on the basis of nonurbanized area population located outside of the boundaries of eligible participants under Article II of this Act, square miles of land, and the percentage of transportation of disadvantaged persons.

Grants of the funds apportioned may be made for operating assistance to participants within any region in an aggregate amount not to exceed the amount apportioned to such region. Grants of funds not apportioned may be made for operating or capital assistance for participants in any region.  
(Source: P.A. 82-783.)

(30 ILCS 740/3-5) (from Ch. 111 2/3, par. 693)

Sec. 3-5. Each participant receiving operating assistance shall, no later than 30 days following the end of each quarter of any Fiscal Year, file with the Department on forms provided by the Department for that purpose, a report of the actual operating deficit and actual eligible administrative expenses experienced during that quarter. The Department shall, upon receipt of the quarterly report, and upon determining that such operating deficits and eligible administrative expenses were incurred in conformity with the program of proposed expenditures approved by the Department pursuant to Section 3-8, pay to the participant such portion as may be determined under Section 3-9.  
(Source: P.A. 83-1471.)

(30 ILCS 740/3-6) (from Ch. 111 2/3, par. 694)

Sec. 3-6. Each program of proposed expenditures shall, in the case of a system of public transportation owned and operated by a participant, undertake to meet operating deficits and eligible administrative expenses directly. Grants may be made for services provided through purchase of service agreements with a provider of public transportation services.  
(Source: P.A. 83-1471.)

(30 ILCS 740/3-7) (from Ch. 111 2/3, par. 695)

Sec. 3-7. Nothing in this Article shall prohibit any participant from including in a program of proposed expenditures and eligible administrative expenses funding for a portion of a cooperative public transportation project or purpose, the total cost of which is shared among one or more other participants or other financial contributors.  
(Source: P.A. 83-1471.)

(30 ILCS 740/3-8) (from Ch. 111 2/3, par. 696)

Sec. 3-8. The Department shall review and approve or disapprove within 60 days of receipt, each formal application submitted by any participant under Section 3-3. The Department shall consider the following factors in its review of any application:

- (a) the level of need for the proposed project;
- (b) the fiscal, managerial and operating capability of the proposed operator of the service; and
- (c) the amount apportioned to the region.

If more than one application is received from within one county, the Department may require the submittal of a joint application.  
(Source: P.A. 82-783.)

(30 ILCS 740/3-9) (from Ch. 111 2/3, par. 697)

Sec. 3-9. (a) Upon a determination by the Department that a proposed project is in compliance with the provisions of this Article, and upon approval thereof by the Department and the federal Department of Transportation, the Department shall enter into one or more grant agreements with and shall make grants to that participant as necessary to implement the adopted project.

(b) All grants by the Department pursuant to this Article shall be administered upon such conditions as the Secretary of Transportation shall determine, consistent with the provisions and purposes of this Article and consistent with Section 18 and the federal Department of Transportation regulations and requirements thereunder.

The Department may make grants to any participant for an amount not to exceed 50% of the projected operating deficit, 80% of the projected eligible administrative expenses and/or 80% of any proposed capital expenditure upon the participant paying or committing for payment funds which, together with funds available under this Article, will be sufficient to meet the total eligible operating expenses or the total project costs, as the case may be, as set forth in the Agreement between the Department and the participant.

(c) Payment and/or reimbursement for services provided by a participant shall not exceed the difference between the total of eligible operating expense plus the eligible administrative expenses for the service and the amounts received by the participant for such services from any other source.

(d) In addition to the grant of Section 18 moneys provided for in subsection (b) above, the Department shall make grants from State moneys to any participant who is eligible to receive federal operating assistance funds under Section 18, in an amount not to exceed 25% of its operating deficit, excepting those participants eligible to receive funds under Article II of the Downstate Public Transportation Act during fiscal year 1990 or any year thereafter.

(Source: P.A. 86-1005.)

(30 ILCS 740/3-10) (from Ch. 111 2/3, par. 698)

Sec. 3-10. This Article is repealed June 30, 1983, or at such time as Section 18 funds cease to be available to the State from the federal government, whichever is later.

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

(30 ILCS 740/Art. IV heading)

#### ARTICLE IV

#### URBANIZED AREA PUBLIC TRANSPORTATION ASSISTANCE

(30 ILCS 740/4-1) (from Ch. 111 2/3, par. 699)

Sec. 4-1. As used in this Article, unless the context clearly requires otherwise, the following words and phrases have the meanings ascribed to them in Section 4-1.1 through 4-1.12.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.1) (from Ch. 111 2/3, par. 699.1)

Sec. 4-1.1. "Department" means the Illinois Department of

Transportation.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.2) (from Ch. 111 2/3, par. 699.2)

Sec. 4-1.2. "Secretary" means the Illinois Secretary of Transportation.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.3) (from Ch. 111 2/3, par. 699.3)

Sec. 4-1.3. "Public transportation" means the transportation or conveyance of persons by means available to the general public including groups of the general public with special needs (1) within the urbanized area, or (2) in the nonurbanized areas within the service area of each participant as approved by the Department, except for transportation by automobiles not used for conveyance of the general public as passengers.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.4) (from Ch. 111 2/3, par. 699.4)

Sec. 4-1.4. "Fiscal year" means the fiscal year of the State of Illinois from July 1 to the next succeeding June 30 unless the intention is clearly stated to mean another fiscal year.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.5) (from Ch. 111 2/3, par. 699.5)

Sec. 4-1.5. "Federal fiscal year" means the fiscal year of the U.S. Department of Transportation from October 1 to the next succeeding September 30.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.6) (from Ch. 111 2/3, par. 699.6)

Sec. 4-1.6. "UMTA Section 9" means Section 9 of the federal Urban Mass Transportation Act of 1964, as now or hereafter amended.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.7) (from Ch. 111 2/3, par. 699.7)

Sec. 4-1.7. "Participant" means (1) a city, village or incorporated town, or a local mass transit district organized under the Local Mass Transit District Act, that is named as a designated recipient by the Governor, or is eligible to receive federal UMTA Section 9 funds, or (2) the recipient designated by the Governor within the Bi-State Metropolitan Development District; provided that such entity is all located outside the boundaries of the Regional Transportation Authority as established pursuant to the Regional Transportation Authority Act, as amended, and has formally requested to participate in the program defined in this Article. However, no such entity shall be eligible to participate unless it agrees to adhere to the regulations and requirements of the Secretary of Transportation of the federal Department of Transportation affecting UMTA Section 9 assistance or any other conditions that are deemed reasonable and necessary by the Illinois Department of Transportation.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.8) (from Ch. 111 2/3, par. 699.8)

Sec. 4-1.8. "Eligible grant activities" means operating

deficits, or the planning, acquisition, construction, improvement and operating costs of facilities, equipment and associated capital maintenance items used in mass transportation service, including crime prevention and security, which may be acquired through either lease or purchase; and other expenditures which the Department determines to be consistent with federal Department of Transportation regulations and requirements.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.9) (from Ch. 111 2/3, par. 699.9)

Sec. 4-1.9. "Transportation improvement program" means a staged, multiyear program of capital and operating assistance projects which meets federal requirements implementing the transportation planning process.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.10) (from Ch. 111 2/3, par. 699.10)

Sec. 4-1.10. "Eligible operating expenses" means direct labor, material and overhead expenses incurred on an accrual basis by an operator to provide mass transportation service in the urbanized area during one local fiscal year, including expenses for contractual services directly incident to the management and operation of transportation services, which are not otherwise reimbursed, and any expenditure which is an operating expense according to standard accounting practices for the providing of public transportation and which the Secretary may determine, consistent with federal Department of Transportation regulations and requirements.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.11) (from Ch. 111 2/3, par. 699.11)

Sec. 4-1.11. "Operating revenues" means income from nonreimbursable fares, rental of properties, advertising, local and state funds contributed to meet eligible operating expenses, and any other amounts collected or received in the process of providing public transportation under this Article, and any revenue which is an operating revenue according to standard accounting practices for the providing of public transportation and which the Secretary may determine, consistent with the federal Department of Transportation regulations and requirements.

(Source: P.A. 86-16.)

(30 ILCS 740/4-1.12) (from Ch. 111 2/3, par. 699.12)

Sec. 4-1.12. "Operating deficits" means the amount by which eligible operating expenses exceed eligible operating revenues. For purposes of determining operating deficits, such funds shall be included which the Department may determine, consistent with federal Department of Transportation or other applicable federal regulations and requirements affecting UMTA Section 9.

(Source: P.A. 86-16.)

(30 ILCS 740/4-2) (from Ch. 111 2/3, par. 699.13)

Sec. 4-2. (a) The Department is authorized to receive UMTA Section 9 funds and to make grants for eligible grant activities to participants which are eligible to receive such funds in accordance with federal regulations and requirements affecting UMTA Section 9. Such grants shall not exceed the

funds to be made available to the State from the federal government for such purposes.

(b) The Department shall establish forms for the submittal of applications, and the reporting of projected and actual eligible grant activities and other required information by the participants, and may promulgate rules and regulations implementing this Article.

(c) Each participant applying for a grant pursuant to this Article shall submit a formal application to the Department. An application for assistance shall include all information which is required under the federal regulations and requirements affecting UMTA Section 9 assistance. For federal fiscal year 1991 and thereafter, an operating assistance application shall be submitted no later than April 1 of the year immediately preceding such fiscal year. An approved Transportation Improvement Program shall be submitted to the Department by July 1 of such year.

(d) Each participant shall undertake to meet operating deficits directly. Nothing in this Article shall prohibit any participant from including, in a program of proposed expenditures, funding for a portion of a cooperative public transportation project or purpose, the total cost of which is shared among one or more other participants or other financial contributors.

(Source: P.A. 86-16.)

(30 ILCS 740/4-3) (from Ch. 111 2/3, par. 699.14)

Sec. 4-3. (a) Upon determining (1) that a participant's proposed project is in compliance with the provisions of this Article, (2) that the proposed project or purpose is not in conflict with established comprehensive transportation plans for a participant or a region of which it is a part, and (3) the amount of available funds, the Department shall enter into one or more grant agreements with and shall make grants to that participant as necessary to implement the adopted project.

(b) All grants by the Department pursuant to this Article shall be administered upon such conditions as the Secretary shall determine, consistent with the provisions and purposes of this Article and consistent with UMTA Section 9 and the federal Department of Transportation regulations and requirements thereunder.

(Source: P.A. 86-16.)

(30 ILCS 740/4-4) (from Ch. 111 2/3, par. 699.15)

Sec. 4-4. (a) The Department may make grants to any participant for an amount not to exceed the authorized percentage of eligible grant activity expenditures as set forth in UMTA Section 9, upon the participant paying or committing for payment funds which, together with funds available under this Article, will be sufficient to meet the total eligible expenditures, as set forth in the agreement between the Department and the participant.

(b) Grant payment and reimbursement shall not exceed the difference between the total of eligible expenses for the project and the amounts received by the participant for such project from any other source.

(c) Each participant receiving operating assistance shall, no later than 30 days following the end of each quarter of each federal fiscal year, file with the Department on forms determined by the Department a report of actual operating

revenues and expenses experienced during that quarter, and a narrative report of other eligible grant activities up to the end of that quarter. The Department shall, upon receipt of the quarterly report, pay to the participant such portion of its operating deficits as the Department determines to have been incurred in conformity with this Section.

(Source: P.A. 86-16.)

(30 ILCS 740/4-5) (from Ch. 111 2/3, par. 699.16)

Sec. 4-5. The grant program established under this Article shall be terminated when UMTA Section 9 funds cease to be available to the State from the federal government.

(Source: P.A. 86-16.)