



MEMORANDUM

To: ISACo Board of Directors/
Cook and Collar County President/Executive/Chairs
From: ISACo Staff
Date: May 28, 2025
Subject: Initial Analysis of HFA #1 to SB 2111 - Transit Reform

Overview

HFA #1 to SB 2111 was filed by Representative Eva-Dina Delgado (D-Chicago) on May 28, 2025. The amendment includes revenue provisions but does not include funding to address the impending fiscal cliff. ISACo continues to take “no position” on transit reform legislation out of recognition that our member counties may have divergent views. At this point, we intend to provide information to our counties as quickly as possible. *This initial analysis may be revised as necessary.*

The proposed amendment outlines extensive regulations and provisions for public transportation in Illinois, primarily focusing on the Northern Illinois Transit Regional Transportation Authority (RTA) and its divisions, including the Chicago Transit Authority (CTA), Commuter Rail, and Suburban Bus. It details the planning, budgeting, and financing of transit projects, requiring needs-based asset management plans and public reporting on project evaluations. The amendment also addresses safety and security measures, including the establishment of a Law Enforcement Task Force and a Coordinated Safety Response Council, and defines responsibilities for maintenance, operations, and labor relations. Furthermore, it covers aspects like fare collection systems, accessibility for disabled riders through an ADA Advisory Council, and the use of tax increment financing and grants to support transit development and operations, including a focus on zero-emission vehicles and transit-supportive developments.

Legislation Title and Core Purpose

The amendment establishes the "People Over Parking Act". However, most provisions focus on amending several existing state laws, most significantly renaming and restructuring the Regional Transportation Authority (RTA) and altering its relationship with its Service Boards: the Chicago Transit Authority (CTA), the Suburban Bus Division, and the Commuter Rail Division.

The stated purpose of the changes related to the RTA (renamed the Northern Illinois Transit Authority or NITA) includes reforming and continuing the unit of local government to assure proper management of public transportation, addressing financial deficits, increasing ridership, constraining road congestion, and allocating resources for an adequate, efficient, geographically

equitable, and coordinated regional transportation system in a state of good repair. The intent is to maintain the existence of the RTA (NITA), preserving the rights of existing bondholders and the non-impairment covenant, despite changes in name and appointment powers.

Key Policy Changes and Analysis

1. Renaming and Governance Restructuring:

- The Regional Transportation Authority is officially renamed the Northern Illinois Transit Authority (NITA). References to the "Regional Transportation Authority Act" will continue for outstanding debt obligations and other purposes.
- The governing body, formerly the RTA Board, becomes the NITA Board, significantly changing its size and appointment process. The terms of all current RTA Board members expire on February 1, 2026, replaced by a new structure. The new RTA Board will consist of 20 Directors, appointed by the Mayor of Chicago (5), Cook County Board President with Board consent (5), and one appointment each by the chairs (with Board consent) of the county boards of DuPage, Kane, Lake, McHenry, and Will counties for a total of 5. The remaining 5 appointments will be made by the Governor with Senate consent. Directors are required to have diverse and substantial relevant backgrounds.
- Similar restructuring of the governing boards for the Suburban Bus Division (becoming an 11-director board) and the Commuter Rail Division (appointment process detailed), with existing terms expiring on February 1, 2026.
- A "lame duck" provision prevents the current RTA and Service Boards from entering or renewing large or long-term contracts (\$1M or more, or term of 1 year or more) from the effective date until the new boards are seated; violating contracts are voidable by the new boards.
- Directors of the RTA/Service Boards face a revolving door prohibition, barring them from accepting employment or compensation from entities they had official dealings with for one year after leaving office.
- A mechanism for a two-thirds vote of no confidence in the Executive Directors of the Service Divisions by the Authority Board is established for "just cause".

2. Shift in Authority and Responsibilities:

- The Authority (NITA) is given ultimate responsibility for providing a high-quality public transportation system in the metropolitan region.
- The Authority assumes primary responsibility for setting and coordinating fares across the region and for developing/implementing a regionally coordinated fare collection system.
- The Authority is responsible for creating and adopting plans that implement state public policy for transportation, setting goals, objectives, and standards, conducting operations, service, and capital planning, and providing design and construction oversight of capital projects.
- This includes adopting a Strategic Plan every 5 years, an annual 5-Year Capital Program, and an Annual Budget and 2-Year Financial Plan. These require public hearings and consultation with Service Boards and other stakeholders.
- The Authority develops a regionally coordinated service plan starting in 2026, guided by adopted service standards (due by Dec 31, 2027). Performance reporting against these standards is mandated.
- While Service Boards (CTA, Suburban Bus, Commuter Rail) continue their operational roles, they are subject to the Authority's powers, goals, priorities, and

budget/planning finalization. Service Boards must not undertake capital improvements not identified in the Authority's 5-Year Capital Program.

3. Financial Provisions:

- The amendment details the flow of tax revenues collected by the state (including those imposed by the RTA/NITA) to the Public Transportation Fund and the Northern Illinois Transit Authority Occupation and Use Tax Replacement Fund, and their allocation to the Authority and Service Boards.
- The Authority retains the power to issue bonds and notes, pledging its full faith and credit, with specific limitations on amounts authorized for Strategic Capital Improvement Projects. These are general obligations of the Authority, not state debt. The state pledges not to impair contracts with bondholders.
- The Authority is required to determine and report a system generated revenue recovery ratio annually. If the ratio of revenue to costs falls below 25% initially (until 2029), or below 20% for two consecutive years thereafter, specific reporting and consideration of fare adjustments or changes are triggered. A separate 5% fare recovery ratio is required for ADA paratransit services.
- The Service Boards' ability to issue *new* bond debt is significantly limited, generally only for refinancing/retiring existing debt or for specific bond types tied to particular revenue streams.
- Executive-level bonuses and large employment contracts at Service Boards require review by the Authority Board.

4. Safety and Security Focus:

- A new structure is created, including an Office of Transit Safety and Experience, a Coordinated Safety Response Council, and a Safety Subcommittee.
- The Office of Transit Safety and Experience is responsible for developing and overseeing a regionwide safety strategy, promoting code compliance, liaising with law enforcement and social service agencies, collecting safety data, and managing rider feedback.
- Within one year, the Authority must vote on implementing a sworn law enforcement officer crime prevention program and a crime prevention plan, informed by a report from the Coordinated Safety Response Council.
- The Authority must implement a real-time safety reporting feature in its mobile app within 180 days.
- Requires the installation of security barriers on fixed-route buses.
- Addresses traffic law enforcement issues like blocking bus stops/lanes, allowing local agencies to use camera evidence, and potentially allowing the Authority to establish its own enforcement program in jurisdictions with inadequate enforcement.
- Requires annual reports on the implementation of NTSB rail safety recommendations.
- Amends criminal code provisions related to criminal trespass on transit property, adding penalties for actions causing significant transit delays or property destruction.

5. Infrastructure, Development, and Service Delivery:

- The "People Over Parking Act" initially mentions parking definitions and then includes provisions limiting local government minimum automobile parking requirements inconsistent with the Act. However, it also allows local governments to regulate on-street parking, establish maximum parking requirements, and set minimum parking requirements for bicycles.

- The Authority is directed to promote transit-supportive development near transit facilities. New sections outline the potential for an incentive program and require an inventory of Authority/Service Board property suitable for such development. This development is defined based on proximity to transit and design facilitating transit use. TIF districts can be established near STAR Line stations under certain conditions without meeting traditional blight criteria.
 - Requires planning and implementation of pedestrian access improvements (sidewalks) to transit stops, potentially involving local government construction projects near transit.
 - Establishes a framework for a Dial-a-ride service program to support local government and Service Board DAR services.
 - Mandates the implementation of a Transit Ambassador program by June 1, 2026.
 - Public transportation vehicles under agreement with NITA (RTA) or a Service Board operating regular scheduled service may use the toll highway system toll-free.
 - Highway commissioners in RTA territory road districts may contract with NITA (RTA) or Service Boards for public transportation services using road funds.
- 6. Labor and Employee Provisions:**
- The amendment preserves existing employee protections aligned with federal law.
 - Entities are subject to the Illinois Human Rights Act and must file affirmative action programs.
 - Significant portions amend the Illinois Pension Code and related provisions concerning the CTA Employee Retirement Plan and Retiree Health Care Trust and other RTA-related pension plans. This includes requirements for funding, actuarial reports, and oversight by the Auditor General.
 - The Illinois Public Labor Relations Act is amended to state that the Act's provisions prevail over conflicting laws but do not diminish employee rights established in specific sections of the CTA Act and the RTA Act (NITA Act), which are also amended in this legislation.
 - The Transportation Benefits Program Act requires covered employers (those near fixed-route transit in the RTA region) to offer eligible employees the option to purchase transit passes via pre-tax payroll deduction. The Authority (NITA) must provide a searchable map of covered locations.
- 7. Oversight and Transparency:**
- Mandates performance audits by the Auditor General.
 - Creates a new Chief Internal Auditor position for the Authority (NITA), appointed by the Board and removable only for cause, with broad audit and investigation powers and prohibitions against political activity and conflicts of interest. Agencies must cooperate and provide access to records.
 - Requires public availability of Authority and Service Board financial information, including real-time, read-only access for the Authority to Service Board financial systems.
 - Requires diversity reporting by construction contractors on Authority projects, published on the website.
 - Board meetings and records must comply with the Open Meetings Act.

A View Through the County Lens

This section analyzes the potential impact of the amendment on Cook, DuPage, Kane, Lake, McHenry, and Will Counties.

These counties collectively form the "metropolitan region" served by the Authority. The impact on these counties primarily revolves around representation on the Authority's Board, the collection and distribution of transportation-related tax revenues, regional planning, and various operational and legal aspects of public transportation within their territories.

1. RTA Board Appointments

The composition and appointment process for the Northern Illinois Transit Authority Board significantly involves the county governments:

- **Current Structure (until February 1, 2026):** The Board consists of 16 Directors.
 - **Cook County (Outside City of Chicago):** Five Directors are appointed by the President of the Cook County Board of Commissioners with the advice and consent of the Cook County Board. These Directors must reside in Cook County outside of Chicago and represent specific geographic areas within that part of the county.
 - **DuPage, Kane, Lake, McHenry, and Will Counties:** One Director is appointed by the Chairman of the County Board (or County Executive in Will County) of each respective county, with the advice and consent of their county board. Each of these Directors must reside in the county they represent.
 - Directors are appointed for 5-year terms.
- **New Structure (Beginning February 1, 2026):** The terms of all current Directors expire on this date, and a new Board is to be appointed within 120 days. The new Board would consist of 20 Directors appointed by the same authorities mentioned for the current structure.
 - **Cook County (Outside City of Chicago):** Five Directors are appointed by the President of the Cook County Board with consent, representing specific areas outside Chicago and residing in those areas. Some of these Directors are also required to serve on the Suburban Bus Board or Commuter Rail Board.
 - **DuPage, Kane, Lake, McHenry, and Will Counties:** Each County Board Chair appoints one Director for their county with consent. These Directors must reside in their county. Some of these Directors are also required to serve on the Commuter Rail Board.
 - Subsequent terms for these Directors will be 5 years.
 - Appointing authorities should aim for a Board reflecting the region's diversity.

2. Suburban Bus Board Appointments

Beginning February 1, 2026, the Suburban Bus Board shall consist of 11 directors (currently 13).

- One director appointed by the Governor to a three-year term.
- Two directors appointed by the Mayor of Chicago with the advice and consent of the City Council of the City of Chicago. One with a 5-year term and one with a 3-year term.

- **Three directors are appointed by the President of the Cook County Board of Commissioners.** One director shall have an initial term of 5 years and shall also serve as a Director on the Board of the Authority, one shall have an initial term of 3 years and shall also serve as a Director on the Board of the Authority, and one shall have an initial term of 5 years.
- **One director appointed by the Chairman of the DuPage County Board.** This director shall have an initial term of 3 years and shall also serve as a Director on the Board of the Authority.
- **One director appointed by the Chairman of the Kane County Board.** This director shall have an initial term of 5 years and shall also serve as a Director on the Board of the Authority.
- **One director appointed by the Chairman of the Lake County Board.** This director shall have an initial term of 5 years.
- **One director appointed by the Chairman of the McHenry County Board.** This director shall have an initial term of 3 years.
- **One director appointed by the Chairman of the Will County Board.** This director shall have an initial term of 5 years and shall also serve as a Director on the Board of the Authority.

3. Commuter Rail Board

Beginning February 1, 2026, the Commuter Rail Board shall consist of 11 directors (currently 11).

- One Director appointed by the Governor, with the advice and consent of the Senate. This director shall have an initial term of 5 years and shall also serve as a Director of the Northern Illinois Transit Authority.
- Two Directors appointed by the Mayor of Chicago with the advice and consent of the City Council of the City of Chicago:
 - One director with an initial term of 3 years, who shall also serve as a Director on the Board of the Authority.
 - One director with an initial term of 5 years.
- **Three Directors appointed by the President of the Cook County Board of Commissioners:**
 - One director with an initial term of 3 years, who shall also serve as a Director on the Board of the Authority.
 - One director with an initial term of 5 years, who shall also serve as a Director on the Board of the Authority.

- One director with an initial term of 3 years.
- **One Director appointed by the Chairman of the DuPage County Board.** This director shall have an initial term of 5 years.
- **One Director appointed by the Chairman of the Kane County Board.** This director shall have an initial term of 3 years.
- **One Director appointed by the Chairman of the Lake County Board.** This director shall have an initial term of 3 years and shall also serve as a Director on the Board of the Authority.
- **One Director appointed by the Chairman of the McHenry County Board.** This director shall have an initial term of 5 years and shall also serve as a Director on the Board of the Authority.
- **One Director appointed by the Chairman of the Will County Board.** This director shall have an initial term of 3 years.

The subsequent terms of each director appointed under this structure shall be 5 years.

4. Regional Service Councils

Within one year after the effective date of this amendatory Act of the 104th General Assembly, the Authority (NITA) is required to establish, by ordinance, 3 Regional Service Councils.

Each Regional Service Council will be composed of 9 members. Appointments to these Councils are made as follows:

- **In DuPage, Kane, McHenry, Lake, and Will counties, appointments are made by the Chair of each county board, with the advice and consent of the County board.**
- **In Cook County, appointments alternate between the Mayor of the City of Chicago (with City Council consent) and the President of the Cook County Board (with Cook County Board consent) until all Cook County appointments for a specific Council are made.**
- The allocation of appointments among these appointing authorities is in proportion to the sum of population and public transit boardings in each county within the Council's territory, with any county having territory inside a Council's boundaries being entitled to at least one seat.
- Appointing authorities should strive to assemble Councils with diverse and capable members, including elected officials such as mayors, transportation experts, and representatives from community entities reliant on public transportation.
- Members are appointed to 5-year terms and may be reappointed. They serve without compensation but are reimbursed for reasonable expenses.

5. Tax Revenue and Distribution

The Authority has the power to impose taxes throughout the metropolitan region, impacting residents and businesses in all six counties. The rates for certain taxes vary between Cook County and the collar counties (DuPage, Kane, Lake, McHenry, Will).

- **Allocation to Service Boards:** A significant portion of the collected tax proceeds (85%) is allocated to the Service Boards (Chicago Transit Authority, Commuter Rail Board, Suburban Bus Board) based on where the taxes were collected. For Cook County outside Chicago, the allocation is split 30% to CTA, 55% to Commuter Rail, and 15% to Suburban Bus. For DuPage, Kane, Lake, McHenry, and Will Counties, the allocation is 70% to Commuter Rail and 30% to Suburban Bus.
- **Direct Allocation to Collar Counties:** A portion of the taxes collected in DuPage, Kane, Lake, McHenry, and Will Counties under Section 4.03 is paid *directly* to those respective counties. These funds **must be used by the County Boards to fund operating and capital costs of public safety and public transportation services or facilities, or for other transportation purposes**, including road, bridge, public safety, and transit costs intended to improve mobility or reduce congestion in the county. The receipt of these funds by the counties is not to be used as a basis for reducing funds from the State, Authority, or Service Boards. The County Boards of these five counties are required to report annually to the General Assembly and the Commission on Government Forecasting and Accountability on the amounts received and how they were expended.

6. Regional Planning and Coordination

The sources emphasize regionwide coordination, impacting planning and service delivery in all six counties:

- The metropolitan region (including all six counties) is the area where comprehensive and coordinated regional public transportation is deemed essential.
- The Authority's Strategic Plan development relies on demographic data and forecasts from the Chicago Metropolitan Agency for Planning (CMAP) with respect to the patterns within the metropolitan region, and the Authority must consult with CMAP regarding consistency with the Regional Comprehensive Plan. The Strategic Plan also considers access for transit-dependent populations in each county.
- Public hearings for the annual 5-Year Capital Program and annual service planning are required to be held in each county outside Cook.
- Regional Service Councils, with members appointed by the county board chairs of DuPage, Kane, McHenry, Lake, and Will counties (as well as Cook), are to be established to provide input on service. The boundaries of these councils are based on the geographic areas of the six counties, and membership allocation considers population and transit boardings within each county's territory.

7. Other Impacts and Mentions

- The Cook County Sheriff's Office and the Sheriff's Offices of other counties in the metropolitan region may participate in the NITA Law Enforcement Task Force.
- Counties can contract with the Authority or Service Boards for public transportation services and passenger security.

- Counties (DuPage, Kane, Lake, McHenry, Will) are mentioned in relation to potential use of RTA Suburban Transit Access Route (STAR Line) stations for redevelopment project areas under certain conditions, requiring unanimous consent from a joint review board.
- Certain vehicles operated by the Suburban Bus Division (part of the Authority serving the suburban counties) or Mass Transit Districts can use toll highways without paying tolls.
- School districts in the counties may receive state reimbursement for transporting pupils to vocational programs and can count expenditures to the Authority or Service Boards for transportation as allowable expenses.
- The Illinois Labor Relations Board State Panel has jurisdiction over collective bargaining matters involving the Authority and local governments outside Cook County with populations under 2 million. The Local Panel has jurisdiction over Cook County entities with populations over 2 million (excluding the Authority). The Cook County President appoints a member to the Local Panel.
- Counties (including Cook, DuPage, Kane, Lake, McHenry, Will) are listed among the entities whose tax revenue collection and distribution involve the State Department of Revenue and Comptroller, with some funds being directed to the Authority or its tax fund.

In summary, the six counties within the metropolitan region are directly impacted by the Authority through board representation based on geographic location and population, involvement in regional planning and public hearings, the imposition and distribution of specific regional taxes, and the direct allocation of some tax revenues to DuPage, Kane, Lake, McHenry, and Will counties for local transportation and safety purposes. They also participate in or interact with the Authority on matters of law enforcement, service provision, redevelopment, and labor relations.