

AN ACT concerning local government.

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

Section 5. The Illinois Municipal Code is amended by changing Sections 11-10-1 and 11-10-2 and by adding Sections 11-10-0.01 and 11-10-2.5 as follows:

(65 ILCS 5/11-10-0.01 new)

Sec. 11-10-0.01. Short title. This Division may be cited as the Foreign Fire Insurance License Fee Act.

(65 ILCS 5/11-10-1) (from Ch. 24, par. 11-10-1)

Sec. 11-10-1. (a) In each municipality or fire protection district, whether incorporated under a general or special law, which has a fire department established and maintained by municipal or fire protection district ordinances, every corporation, company, and association which is not incorporated under the laws of this state and which is engaged in effecting fire insurance in the municipality or fire protection district, shall pay to the foreign fire insurance board or to the secretary of the fire protection district for the maintenance, use, and benefit of the fire department thereof, a sum of ~~not exceeding~~ 2% of the gross receipts received from fire insurance upon property situated within the

municipality or district.

~~Each municipality and fire protection district may prescribe by ordinance the rate of the tax or license fee to be paid, but this rate shall not exceed the rate specified in this section.~~ Each designated corporation, company, and association shall pay the sum ~~at the rate~~ so prescribed by this subsection, upon the amount of all premiums which have been received during the year ending on every first day of July for all fire insurance effected or agreed to be effected on property situated within the municipality or fire protection district, by that corporation, company, or association respectively.

Every person who acts in any specified municipality or fire protection district as agent, or otherwise, on behalf of a designated corporation, company, or association, shall render to the treasurer of the foreign fire insurance board or secretary of the fire protection district, on or before the fifteenth day of July of each year, a full and true account, verified by his oath, of all of the premiums which, during the year ending on the first day of July preceding the report, were received by him, or by any other person for him on behalf of that corporation, company, or association. He shall specify in this report the amounts received for fire insurance, and he shall pay to the treasurer ~~of the foreign fire insurance board,~~ or to the secretary of the fire protection district, or to the treasurer's or secretary's designee, at the time of rendering this report, the sum ~~amount as determined by the~~

~~rate fixed by this subsection by the ordinance of the municipality or fire protection district for which his corporation, company, or association is accountable under this section and the ordinance.~~

If this account is not rendered on or before the fifteenth day of July of each year, or if the sum due remains unpaid after that day, it shall be unlawful for any corporation, company, or association, so in default, to transact any business in the municipality or fire protection district until the sum due has been fully paid. But this provision shall not relieve any corporation, company, or association from the payment of any loss upon any risk that may be taken in violation of this requirement.

The amount of this ~~tax or~~ license fee may be recovered from the corporation, company, ~~or~~ association, or any third party which owes it, or from its agent, by an action brought by a foreign fire insurance board ~~in the name and for the use of the municipality or fire protection district as for money had and received.~~

The foreign fire insurance board ~~municipal comptroller, if any, and if not, then the municipal clerk~~ or the secretary of the fire protection district, or the board's or secretary's authorized designee, may examine the books, records, and other papers and documents of a designated agent, corporation, company, or association for the purpose of verifying the correctness of the report of the amounts received for fire

insurance.

This subsection is ~~section shall not be~~ applicable to receipts from contracts of marine fire insurance, ~~even though they include insurance against fire, where the premium for the fire insurance is not separately specified.~~

(b) A foreign fire insurance board aggrieved by a violation of this Section may file suit in the Circuit Court in the county where the alleged violation occurred.

(c) The regulation of a foreign fire insurance board and its license fees are exclusive powers and functions of the State. A home rule municipality may not regulate a foreign fire insurance board and its license fees. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(Source: P.A. 95-807, eff. 8-12-08.)

(65 ILCS 5/11-10-2) (from Ch. 24, par. 11-10-2)

Sec. 11-10-2. (a) A ~~department~~ foreign fire insurance board shall be created by and among the sworn members of ~~within~~ the fire department of each municipality with fewer than 500,000 inhabitants that has an organized fire department. The board shall consist of 7 trustees; the fire chief, who shall hold office by virtue of rank, and 6 members, who shall be elected at large by the sworn members of the department. If there is an insufficient number of candidates to fill all

these positions, the number of board members may be reduced, but not to fewer than 3 trustees. All sworn members of the department shall be eligible to be elected as officers of the ~~department~~ foreign fire insurance board. The members of this board shall annually elect officers. These officers shall be a chairman, ~~and~~ a treasurer, and any other officers deemed necessary by the board. The members ~~trustees~~ of the ~~department~~ foreign fire insurance board shall make all needful rules and regulations with respect to the ~~department~~ foreign fire insurance board and the management of the funds ~~money~~ to be paid ~~appropriated~~ to the board. The foreign fire insurance board may establish, manage, and maintain an account for the holding and expenditure of all funds paid to the board. The foreign fire insurance board may contract for the purchase of goods and services using funds paid to the board. Contracting for services includes, but is not limited to, the procurement and payment of all accounting, legal, collection, or other professional services deemed by the board to be necessary to the execution of its duties under this Division using funds paid to the board. The foreign fire insurance board may sue all parties necessary to enforce its rights under this Section. The officers of the ~~department~~ foreign fire insurance board shall develop and maintain a listing of those items that the board feels are appropriate expenditures under this Act. ~~The treasurer of the department foreign fire insurance board shall give a sufficient bond to the municipality in which the fire~~

~~department is organized. This bond shall be approved by the mayor or president, as the case may be, conditioned upon the faithful performance by the treasurer of his or her duties under the ordinance and the rules and regulations provided for in this section.~~ The treasurer of the ~~department~~ foreign fire insurance board shall receive the funds paid as provided in Section 1 ~~appropriated money~~ and shall pay out the funds ~~money~~ upon the order of the ~~department~~ foreign fire insurance board for the maintenance, use, and benefit of the department or as otherwise permitted by this Division. These ~~As part of the annual municipal audit, these~~ funds shall be audited to verify that the funds have been expended by that board only for the maintenance, use, and benefit of the department using funds paid to the board. Contracting for services includes, but is not limited to, the procurement and payment of all accounting, legal, collection, or other professional services deemed by the board to be necessary to the execution of its duties under this Division using funds paid to the board.

Disputes between a fire chief and the remaining members of a foreign fire insurance board concerning whether any expenditure of funds by the board is for the maintenance, use, or benefit of the department or for any other purpose authorized by this Division shall be resolved through binding arbitration, pursuant to a written arbitration agreement established by the foreign fire insurance board, that is recognized under the Uniform Arbitration Act. Arbitrations

held pursuant to a written arbitration agreement are the exclusive remedy available for resolving such disputes.

(b) As used in this subsection, "active member" means a member of the Chicago Fire Department who is not receiving a disability pension, retired, or a deferred pensioner of the Firemen's Annuity and Benefit Fund of Chicago.

A department foreign fire insurance board is created within the Chicago Fire Department. The board shall consist of 7 trustees who shall be initially elected on or before January 1, 2019: the fire commissioner, who shall hold office by virtue of rank, and 6 elected trustees, who shall be elected at large by the sworn members of the department. If there is an insufficient number of candidates seeking election to each vacant trustee position, the number of board members is reduced to 5 trustees, including the fire commissioner of the department, until the next election cycle when there are enough active members seeking election to fill all 7 member seats. All active members are eligible to be elected as trustees of the department foreign fire insurance board. Of the trustees first elected, 3 trustees shall be elected to a 2-year term and 3 trustees shall be elected to a 3-year term. After the initial election, a trustee shall be elected for a term of 3 years. If a member of the board resigns, is removed, or is unable to continue serving on the board, the vacancy shall be filled by special election of the active members or, in the case of a vacancy that will exist for fewer than 180

days until the term expires, by appointment by majority vote of the members of the board.

The members of the board shall annually elect officers. These officers shall be a chairman, treasurer, and secretary. The trustees of the board shall make rules and regulations with respect to the board and the management of the money appropriated to the board. The officers of the board shall develop and maintain a listing of those items that the board believes are appropriate expenditures under this subsection. The treasurer of the board shall give a sufficient bond to the City of Chicago. The cost of the bond shall be paid out of the moneys in the board's fund. The bond shall be conditioned upon the faithful performance by the treasurer of his or her duties under the rules and regulations provided for in this subsection. The treasurer of the board shall receive the appropriated proceeds and shall disburse the proceeds upon the order of the board for the maintenance, use, and benefit of the department consistent with this subsection. As part of the annual municipal audit, these funds shall be audited to verify that the funds have been expended lawfully by the board consistent with this subsection.

Within 30 days after receipt of any foreign fire insurance proceeds by the City of Chicago, the City of Chicago shall transfer the proceeds to the board by depositing the proceeds into an account determined by the board, except that if the effective date of this amendatory Act of the 100th General

Assembly is after July 31, 2018, then the City of Chicago shall, for budget year 2019 only, transfer only 50% of the proceeds to the board. Notwithstanding any other provision of law: 50% of the foreign fire insurance proceeds received by the board shall be used for the maintenance, use, benefit, or enhancement of fire stations or training facilities used by the active members of the fire department; 25% of the foreign fire insurance proceeds received by the board shall be used for the maintenance, use, benefit, or enhancement of emergency response vehicles, tools, and equipment used by the active members of the department; and 25% of the foreign fire insurance proceeds received by the board shall be used for the maintenance and enhancement of the department and for the use and benefit of the active members of the department in a manner otherwise consistent with this subsection. Foreign fire insurance proceeds may not be used to purchase, maintain, or enhance personal property of a member of the department, except for personal property used in the performance of his or her duties or training activities.

(c) The provisions of this Section shall be the exclusive power of the State, pursuant to subsection (h) of Section 6 of Article VII of the Constitution.

(Source: P.A. 100-656, eff. 7-31-18.)

(65 ILCS 5/11-10-2.5 new)

Sec. 11-10-2.5. Collection of licensing fees. A foreign

fire insurance board created under this Division has the sole and exclusive authority to collect all licensing fees required to be paid by foreign fire insurance companies, corporations, associations, or third parties under this Division. This authority includes the right to designate a representative or agent authorized to collect such fees on their behalf.

A board created pursuant to subsection (a) of Section 2 that does not collect licensing fees on its own accord, or that does not designate an authorized representative or agent to collect the fees on their behalf, shall have all fees collected on its behalf by a statewide organization of municipalities recognized under Section 1-8-1.

Licensing fees collected from foreign fire insurance companies, corporations, associations, or third parties under a representative or agent authorized to do so by a foreign fire insurance board or by a statewide organization of municipalities recognized under Section 1-8-1 shall be paid promptly and directly to the treasurer of the foreign fire insurance board, less reasonable costs and expenses associated with the collection of the fees, as agreed to by the board.

Section 99. Effective date. This Act takes effect January 1, 2023.