



Rep. Michael J. Madigan

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09300SB2258ham001

LRB093 15887 RAS 52225 a

1 AMENDMENT TO SENATE BILL 2258

2 AMENDMENT NO. _____. Amend Senate Bill 2258 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Home Equity Assurance Act is amended by
5 changing Sections 4 and 9 as follows:

6 (65 ILCS 95/4) (from Ch. 24, par. 1604)

7 Sec. 4. Creation of Commission. (a) Whenever in a
8 municipality with more than 1,000,000 inhabitants, the
9 question of creating a home equity program within a contiguous
10 territory included entirely within the municipality is
11 initiated by resolution or ordinance of the corporate
12 authorities of the municipality or by a petition signed by not
13 less than 10% of the total number of registered voters of each
14 precinct in the territory, the registered voters of which are
15 eligible to sign the petition, it shall be the duty of the
16 election authority having jurisdiction over such municipality
17 to submit the question of creating a home equity program to the
18 electors of each precinct within the territory at the regular
19 election specified in the resolution, ordinance or petition
20 initiating the question. If the question is initiated by
21 petition and if the requisite number of signatures is not
22 obtained in any precinct included within the territory
23 described in the petition, then the petition shall be valid as
24 to the territory encompassed by those precincts for which the

1 requisite number of signatures is obtained and any such
2 precinct for which the requisite number of signatures is not
3 obtained shall be excluded from the territory. A petition
4 initiating a question described in this Section shall be filed
5 with the election authority having jurisdiction over the
6 municipality. The petition shall be filed and objections
7 thereto shall be made in the manner provided in the general
8 election law. A resolution, ordinance, or petition initiating a
9 question described in this Section shall specify the election
10 at which the question is to be submitted. The referendum on
11 such question shall be held in accordance with general election
12 law. Such question, and the resolution, ordinance, or petition
13 initiating the question, shall include a description of the
14 territory, the name of the proposed home equity program, and
15 the maximum rate at which the home equity program shall be able
16 to levy a property tax. All of that area within the geographic
17 boundaries of the territory described in such question shall be
18 included in the program, and no area outside the geographic
19 boundaries of the territory described in such question shall be
20 included in the program. If the election authority determines
21 that the description cannot be included within the space
22 limitations of the ballot, the election authority shall prepare
23 large printed copies of a notice of the question, which shall
24 be prominently displayed in the polling place of each precinct
25 in which the question is to be submitted.

26 (b) Whenever a majority of the voters on such public
27 question approve the creation of a home equity program as
28 certified by the proper election authorities, the mayor of the
29 municipality shall appoint, with the consent of the corporate
30 authorities, 9 individuals, to be known as commissioners, to
31 serve as the governing body of the home equity program. The
32 mayor shall choose 7 of the 9 individuals to be appointed to
33 the governing commission from nominees submitted by a community
34 organization or community organizations as defined in this Act.

1 A community organization may recommend up to 20 individuals to
2 serve on a governing commission.

3 No fewer than 5 commissioners serving at any one time shall
4 reside within the territory of the program.

5 Upon creation of a governing commission, the terms of the
6 initial commissioners shall be as follows: 3 shall serve for
7 one year, 3 shall serve for 2 years, and 3 shall serve for 3
8 years and until a successor is appointed and qualified. All
9 succeeding terms shall be for 3 years, or until a successor is
10 appointed or qualified ~~, and no commissioner may serve more~~
11 ~~than 2 consecutive terms.~~ Commissioners shall serve without
12 compensation except for reimbursement for reasonable expenses
13 incurred in the performance of duties as a commissioner. A
14 vacancy in the office of a member of a commission shall be
15 filled in like manner as an original appointment.

16 All proceedings and meetings of the governing commission
17 shall be conducted in accordance with the provisions of the
18 Open Meetings Act, as now or hereafter amended.

19 (Source: P.A. 86-684.)

20 (65 ILCS 95/9) (from Ch. 24, par. 1609)

21 Sec. 9. Establishing a new guaranteed value and
22 registration date. (a) A member has the option of applying for
23 a new program appraisal by a program appraiser in order to
24 establish a new certificate of participation with a new
25 registration date. The governing commission may exercise the
26 right to require a second program appraisal in accordance with
27 the procedures described in Section 6 of this Act. This new
28 guaranteed value shall be subject to the following conditions:

29 (1) A new guaranteed value established solely for the
30 purpose of determining a property's increased value due to
31 inflation may not be requested by the member until 5 years have
32 elapsed from the most recent registration date.

33 (2) A new guaranteed value established due to home

1 improvements shall be granted only when the value of the home
2 improvements exceed \$5,000.

3 (3) A member may not initiate a claim against the program
4 based upon the new guaranteed value until 3 ~~5~~ years after the
5 new registration date. Until that time, coverage shall be based
6 on the most recent certificate of participation which is at
7 least 5 years old and the guaranteed value set forth in that
8 certificate of participation.

9 (4) If the governing commission, by majority vote,
10 determines that the application for a new appraisal is due to
11 substantial property improvements on the guaranteed residence,
12 then the application fee for the appraisal shall be one-half of
13 the registration fee then being charged by the program.

14 (5) If the governing commission, by a majority vote,
15 concludes that the application for a new appraisal is not due
16 to substantial property improvements, the application fee for
17 the new appraisal shall be the amount of the registration fee
18 then being charged by the program.

19 (6) A new guaranteed value shall be subject to all of the
20 conditions, stipulations, and provisions of this Act.

21 (b) After following the above procedures, the member shall
22 be issued a new certificate of participation which shall state
23 the new guaranteed value and registration date.

24 (c) A member may request a new guaranteed value and
25 registration date only once per year.

26 (Source: P.A. 85-1044.)

27 Section 99. Effective date. This Act takes effect upon
28 becoming law."