



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2304

Introduced 1/12/2006, by Sen. Mike Jacobs

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-165

from Ch. 108 1/2, par. 6-165

30 ILCS 805/8.30 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. In provisions concerning the property tax levied to provide revenue for the Firemen's Annuity and Benefit Fund, increases the number by which the employee contributions must be multiplied to determine the maximum dollar amount that the tax may produce. Directs the Board to recommend that the City reduce the multiplier in years in which the Fund is at least 80% funded. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 18117 AMC 53424 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 6-165 as follows:

6 (40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)
7 Sec. 6-165. Financing; tax.

8 (a) Except as expressly provided in this Section, each city
9 shall levy a tax annually upon all taxable property therein for
10 the purpose of providing revenue for the fund. For the years
11 prior to the year 1960, the tax rate shall be as provided for
12 in the "Firemen's Annuity and Benefit Fund of the Illinois
13 Municipal Code". The tax, from and after January 1, 1968 to and
14 including the year 1971, shall not exceed .0863% of the value,
15 as equalized or assessed by the Department of Revenue, of all
16 taxable property in the city. Beginning with the year 1972 and
17 each year thereafter the city shall levy a tax annually at a
18 rate on the dollar of the value, as equalized or assessed by
19 the Department of Revenue of all taxable property within such
20 city that will produce, when extended, not to exceed an amount
21 equal to the total amount of contributions by the employees to
22 the fund made in the calendar year 2 years prior to the year
23 for which the annual applicable tax is levied, multiplied by
24 2.23 through the calendar year 1981, ~~and~~ by 2.26 for calendar
25 years ~~the year~~ 1982 through 2007, by 3.00 for calendar years
26 2008 through 2011, and by 3.75 for calendar year 2012 and each
27 calendar year thereafter, until the board certifies to the city
28 treasurer that the fund has attained 80% of the required
29 funding of the fund's liabilities. For any subsequent year that
30 the fund attains 80% of the funding of the fund's liabilities,
31 the board shall recommend that the city reduce the multiplier
32 to any of the multipliers listed in this subsection (a) in

1 order to maintain a level of 80% funding of the fund's
2 liabilities and for each year thereafter.

3 To provide revenue for the ordinary death benefit
4 established by Section 6-150 of this Article, in addition to
5 the contributions by the firemen for this purpose, the city
6 council shall for the year 1962 and each year thereafter
7 annually levy a tax, which shall be in addition to and
8 exclusive of the taxes authorized to be levied under the
9 foregoing provisions of this Section, upon all taxable property
10 in the city, as equalized or assessed by the Department of
11 Revenue, at such rate per cent of the value of such property as
12 shall be sufficient to produce for each year the sum of
13 \$142,000.

14 The amounts produced by the taxes levied annually, together
15 with the deposit expressly authorized in this Section, shall be
16 sufficient, when added to the amounts deducted from the
17 salaries of firemen and applied to the fund, to provide for the
18 purposes of the fund.

19 (b) The taxes shall be levied and collected in like manner
20 with the general taxes of the city, and shall be in addition to
21 all other taxes which the city may levy upon all taxable
22 property therein and shall be exclusive of and in addition to
23 the amount of tax the city may levy for general purposes under
24 Section 8-3-1 of the Illinois Municipal Code, approved May 29,
25 1961, as amended, or under any other law or laws which may
26 limit the amount of tax which the city may levy for general
27 purposes.

28 (c) The amounts of the taxes to be levied in each year
29 shall be certified to the city council by the board.

30 (d) As soon as any revenue derived from such taxes is
31 collected, it shall be paid to the city treasurer and held for
32 the benefit of the fund, and all such revenue shall be paid
33 into the fund in accordance with the provisions of this
34 Article.

35 (e) If the funds available are insufficient during any year
36 to meet the requirements of this Article, the city may issue

1 tax anticipation warrants, against the tax levies herein
2 authorized for the current fiscal year.

3 (f) The various sums, hereinafter stated, including
4 interest, to be contributed by the city, shall be taken from
5 the revenue derived from the taxes or otherwise as expressly
6 provided in this Section. Except for defraying the cost of
7 administration of the fund during the calendar year in which a
8 city first attains a population of 500,000 and comes under the
9 provisions of this Article and the first calendar year
10 thereafter, any money of the city derived from any source other
11 than these taxes or the sale of tax anticipation warrants shall
12 not be used to provide revenue for the fund, nor to pay any
13 part of the cost of administration thereof, unless applied to
14 make the deposit expressly authorized in this Section or the
15 additional city contributions required under subsection (h).

16 (g) In lieu of levying all or a portion of the tax required
17 under this Section in any year, the city may deposit with the
18 city treasurer no later than March 1 of that year for the
19 benefit of the fund, to be held in accordance with this
20 Article, an amount that, together with the taxes levied under
21 this Section for that year, is not less than the amount of the
22 city contributions for that year as certified by the board to
23 the city council. The deposit may be derived from any source
24 legally available for that purpose, including, but not limited
25 to, the proceeds of city borrowings. The making of a deposit
26 shall satisfy fully the requirements of this Section for that
27 year to the extent of the amounts so deposited. Amounts
28 deposited under this subsection may be used by the fund for any
29 of the purposes for which the proceeds of the taxes levied
30 under this Section may be used, including the payment of any
31 amount that is otherwise required by this Article to be paid
32 from the proceeds of those taxes.

33 (h) In addition to the contributions required under the
34 other provisions of this Article, by November 1 of the
35 following specified years, the city shall deposit with the city
36 treasurer for the benefit of the fund, to be held and used in

1 accordance with this Article, the following specified amounts:
2 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
3 \$5,040,000 in 2002; and \$4,620,000 in 2003.

4 The additional city contributions required under this
5 subsection are intended to decrease the unfunded liability of
6 the fund and shall not decrease the amount of the city
7 contributions required under the other provisions of this
8 Article. The additional city contributions made under this
9 subsection may be used by the fund for any of its lawful
10 purposes.

11 (Source: P.A. 93-654, eff. 1-16-04.)

12 Section 90. The State Mandates Act is amended by adding
13 Section 8.30 as follows:

14 (30 ILCS 805/8.30 new)

15 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
16 of this Act, no reimbursement by the State is required for the
17 implementation of any mandate created by this amendatory Act of
18 the 94th General Assembly.

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.