

# HB4931



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

**HB4931**

by Rep. Brandon W. Phelps

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-10-1	from Ch. 24, par. 11-10-1
65 ILCS 5/11-10-2	from Ch. 24, par. 11-10-2

Amends the Illinois Municipal Code. Provides that a payment that is required to be made by every out-of-state corporation, company, and association which is engaged in effecting fire insurance in a municipality must be paid to the foreign fire insurance board (instead of the municipality). Effective immediately.

LRB095 18355 HLH 44440 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

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

6 (65 ILCS 5/11-10-1) (from Ch. 24, par. 11-10-1)

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

20 Each municipality and fire protection district may  
21 prescribe by ordinance the rate of the tax or license fee to be  
22 paid, but this rate shall not exceed the rate specified in this  
23 section. Each designated corporation, company, and association

1 shall pay at the rate so prescribed, upon the amount of all  
2 premiums which have been received during the year ending on  
3 every first day of July for all fire insurance effected or  
4 agreed to be effected on property situated within the  
5 municipality or fire protection district, by that corporation,  
6 company, or association respectively.

7 Every person who acts in any specified municipality or fire  
8 protection district as agent, or otherwise, on behalf of a  
9 designated corporation, company, or association, shall render  
10 to the treasurer of the foreign fire insurance board ~~municipal~~  
11 ~~comptroller, if there is one, or if not to the municipal clerk~~  
12 or secretary of the fire protection district, on or before the  
13 fifteenth day of July of each year, a full and true account,  
14 verified by his oath, of all of the premiums which, during the  
15 year ending on the first day of July preceding the report, were  
16 received by him, or by any other person for him on behalf of  
17 that corporation, company, or association. He shall specify in  
18 this report the amounts received for fire insurance, and he  
19 shall pay to the treasurer of the foreign fire insurance board  
20 ~~municipality~~, or to the secretary of the fire protection  
21 district, at the time of rendering this report, the amount as  
22 determined by the rate fixed by the ordinance of the  
23 municipality or fire protection district for which his  
24 corporation, company, or association is accountable under this  
25 section and the ordinance.

26 If this account is not rendered on or before the fifteenth

1 day of July of each year, or if the sum due remains unpaid  
2 after that day, it shall be unlawful for any corporation,  
3 company, or association, so in default, to transact any  
4 business in the municipality or fire protection district until  
5 the sum due has been fully paid. But this provision shall not  
6 relieve any corporation, company, or association from the  
7 payment of any loss upon any risk that may be taken in  
8 violation of this requirement.

9 The amount of this tax or license fee may be recovered from  
10 the corporation, company, or association which owes it, or from  
11 its agent, by an action in the name and for the use of the  
12 municipality or fire protection district as for money had and  
13 received.

14 The municipal comptroller, if any, and if not, then the  
15 municipal clerk or the secretary of the fire protection  
16 district, may examine the books, records, and other papers and  
17 documents of a designated agent, corporation, company, or  
18 association for the purpose of verifying the correctness of the  
19 report of the amounts received for fire insurance.

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

24 (Source: Laws 1961, p. 576.)

25 (65 ILCS 5/11-10-2) (from Ch. 24, par. 11-10-2)

1           Sec. 11-10-2. The corporate authorities of any  
2 municipality containing less than 250,000 inhabitants which  
3 has an organized fire department shall pass an ordinance  
4 providing for the election of officers of the department  
5 foreign fire insurance board by the members of the department.  
6 All members of the department shall be eligible to be elected  
7 as officers of the department foreign fire insurance board.  
8 These officers shall include a treasurer, and they shall make  
9 all needful rules and regulations with respect to the  
10 department foreign fire insurance board and the management of  
11 the money to be appropriated to the board. The officers of the  
12 department foreign fire insurance board shall develop and  
13 maintain a listing of those items that the board feels are  
14 appropriate expenditures under this Act. ~~All of the money paid~~  
15 ~~to the municipal treasurer as provided in Section 11-10-1 shall~~  
16 ~~be set apart and shall be appropriated annually by the~~  
17 ~~corporate authorities to the department foreign fire insurance~~  
18 ~~board.~~ The treasurer of the department foreign fire insurance  
19 board shall give a sufficient bond to the municipality in which  
20 the fire department is organized. This bond shall be approved  
21 by the mayor or president, as the case may be, conditioned upon  
22 the faithful performance by the treasurer of his or her duties  
23 under the ordinance and the rules and regulations provided for  
24 in this section. The treasurer of the department foreign fire  
25 insurance board shall receive the appropriated money and shall  
26 pay out the money upon the order of the department foreign fire

1 insurance board for the maintenance, use, and benefit of the  
2 department. As part of the annual municipal audit, these funds  
3 shall be audited to verify that these purchases are for the  
4 maintenance, use, and benefit of the department.

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

8 (Source: P.A. 89-63, eff. 6-30-95.)

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.