



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3395

Introduced 2/24/2011, by Rep. Robert Rita

SYNOPSIS AS INTRODUCED:

40 ILCS 5/11-169

from Ch. 108 1/2, par. 11-169

30 ILCS 805/8.35 new

Amends the Chicago Laborers Article of the Illinois Pension Code. Provides that the city shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue of all taxable property within the city for the year 2012 and each year thereafter, that will produce, when extended, an amount equal to or greater than the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.00. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 07284 JDS 47393 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 11-169 as follows:

6 (40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)
7 Sec. 11-169. Financing; tax levy.

8 (a) Except as provided in subsection (f) of this Section,
9 the city council of the city shall levy a tax annually upon all
10 taxable property in the city at the rate that will produce a
11 sum which, when added to the amounts deducted from the salaries
12 of the employees or otherwise contributed by them and the
13 amounts deposited under subsection (f), will be sufficient for
14 the requirements of this Article. For the years prior to the
15 year 1950 the tax rate shall be as provided for under "The 1935
16 Act". Beginning with the year 1950 to and including the year
17 1969 such tax shall be not more than .036% annually of the
18 value, as equalized or assessed by the Department of Revenue,
19 of all taxable property within such city. Beginning with the
20 year 1970 and each year thereafter the city shall levy a tax
21 annually at a rate on the dollar of the value, as equalized or
22 assessed by the Department of Revenue of all taxable property
23 within such city that will produce, when extended, not to

1 exceed an amount equal to the total amount of contributions by
2 the employees to the fund made in the calendar year 2 years
3 prior to the year for which the annual applicable tax is
4 levied, multiplied by 1.1 for the years 1970, 1971 and 1972;
5 1.145 for the year 1973; 1.19 for the year 1974; 1.235 for the
6 year 1975; 1.280 for the year 1976; 1.325 for the year 1977;
7 1.370 for the years 1978 through 1998; and 1.000 for the years
8 year 1999 through 2011; and for the year 2012 and each year
9 thereafter, such levy as will produce, when extended, an amount
10 equal to or greater than the total amount of contributions made
11 by or on behalf of employees to the Fund for annuity purposes
12 in the calendar year 2 years prior to the year for which the
13 annual applicable tax is levied, multiplied by 1.00 ~~and for~~
14 ~~each year thereafter.~~

15 The tax shall be levied and collected in like manner with
16 the general taxes of the city, and shall be exclusive of and in
17 addition to the amount of tax the city is now or may hereafter
18 be authorized to levy for general purposes under any laws which
19 may limit the amount of tax which the city may levy for general
20 purposes. The county clerk of the county in which the city is
21 located, in reducing tax levies under the provisions of any Act
22 concerning the levy and extension of taxes, shall not consider
23 the tax herein provided for as a part of the general tax levy
24 for city purposes, and shall not include the same within any
25 limitation of the per cent of the assessed valuation upon which
26 taxes are required to be extended for such city.

1 Revenues derived from such tax shall be paid to the city
2 treasurer of the city as collected and held by him for the
3 benefit of the fund.

4 If the payments on account of taxes are insufficient during
5 any year to meet the requirements of this Article, the city may
6 issue tax anticipation warrants against the current tax levy.

7 (b) On or before January 10, annually, the board shall
8 notify the city council of the requirement of this Article that
9 the tax herein provided shall be levied for that current year.
10 The board shall compute the amounts necessary for the purposes
11 of this fund to be credited to the reserves established and
12 maintained as herein provided, and shall make an annual
13 determination of the amount of the required city contributions;
14 and certify the results thereof to the city council.

15 (c) In respect to employees of the city who are transferred
16 to the employment of a park district by virtue of "Exchange of
17 Functions Act of 1957" the corporate authorities of the park
18 district shall annually levy a tax upon all the taxable
19 property in the park district at such rate per cent of the
20 value of such property, as equalized or assessed by the
21 Department of Revenue, as shall be sufficient, when added to
22 the amounts deducted from their salaries and otherwise
23 contributed by them, to provide the benefits to which they and
24 their dependents and beneficiaries are entitled under this
25 Article. The city shall not levy a tax hereunder in respect to
26 such employees.

1 The tax so levied by the park district shall be in addition
2 to and exclusive of all other taxes authorized to be levied by
3 the park district for corporate, annuity fund, or other
4 purposes. The county clerk of the county in which the park
5 district is located, in reducing any tax levied under the
6 provisions of any Act concerning the levy and extension of
7 taxes shall not consider such tax as part of the general tax
8 levy for park purposes, and shall not include the same in any
9 limitation of the per cent of the assessed valuation upon which
10 taxes are required to be extended for the park district. The
11 proceeds of the tax levied by the park district, upon receipt
12 by the district, shall be immediately paid over to the city
13 treasurer of the city for the uses and purposes of the fund.

14 The various sums to be contributed by the city and
15 allocated for the purposes of this Article, and any interest to
16 be contributed by the city, shall be taken from the revenue
17 derived from the taxes authorized in this Section, and no money
18 of such city derived from any source other than the levy and
19 collection of those taxes or the sale of tax anticipation
20 warrants in accordance with the provisions of this Article
21 shall be used to provide revenue for this Article, except as
22 expressly provided in this Section.

23 If it is not possible for the city to make contributions
24 for age and service annuity and widow's annuity concurrently
25 with the employee's contributions made for such purposes, such
26 city shall make such contributions as soon as possible and

1 practicable thereafter with interest thereon at the effective
2 rate to the time they shall be made.

3 (d) With respect to employees whose wages are funded as
4 participants under the Comprehensive Employment and Training
5 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
6 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
7 subsequent to October 1, 1978, and in instances where the board
8 has elected to establish a manpower program reserve, the board
9 shall compute the amounts necessary to be credited to the
10 manpower program reserves established and maintained as herein
11 provided, and shall make a periodic determination of the amount
12 of required contributions from the City to the reserve to be
13 reimbursed by the federal government in accordance with rules
14 and regulations established by the Secretary of the United
15 States Department of Labor or his designee, and certify the
16 results thereof to the City Council. Any such amounts shall
17 become a credit to the City and will be used to reduce the
18 amount which the City would otherwise contribute during
19 succeeding years for all employees.

20 (e) In lieu of establishing a manpower program reserve with
21 respect to employees whose wages are funded as participants
22 under the Comprehensive Employment and Training Act of 1973, as
23 authorized by subsection (d), the board may elect to establish
24 a special municipality contribution rate for all such
25 employees. If this option is elected, the City shall contribute
26 to the Fund from federal funds provided under the Comprehensive

1 Employment and Training Act program at the special rate so
2 established and such contributions shall become a credit to the
3 City and be used to reduce the amount which the City would
4 otherwise contribute during succeeding years for all
5 employees.

6 (f) In lieu of levying all or a portion of the tax required
7 under this Section in any year, the city may deposit with the
8 city treasurer no later than March 1 of that year for the
9 benefit of the fund, to be held in accordance with this
10 Article, an amount that, together with the taxes levied under
11 this Section for that year, is not less than the amount of the
12 city contributions for that year as certified by the board to
13 the city council. The deposit may be derived from any source
14 legally available for that purpose, including, but not limited
15 to, the proceeds of city borrowings. The making of a deposit
16 shall satisfy fully the requirements of this Section for that
17 year to the extent of the amounts so deposited. Amounts
18 deposited under this subsection may be used by the fund for any
19 of the purposes for which the proceeds of the tax levied by the
20 city under this Section may be used, including the payment of
21 any amount that is otherwise required by this Article to be
22 paid from the proceeds of that tax.

23 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

24 Section 90. The State Mandates Act is amended by adding
25 Section 8.35 as follows:

1 (30 ILCS 805/8.35 new)

2 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 97th General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.