

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 Counties Code is amended by adding Division  
5 5-44 to Article 5 and Sections 5-44005, 5-44010, 5-44015,  
6 5-44020, 5-44025, 5-44030, 5-44035, 5-44040, 5-44045, 5-44050,  
7 and 5-44055 as follows:

8 (55 ILCS 5/Div. 5-44 heading new)

9 Division 5-44. Local Government Reduction and Efficiency

10 (55 ILCS 5/5-44005 new)

11 Sec. 5-44005. Findings and purpose.

12 (a) The General Assembly finds:

13 (1) Illinois has more units of local government than  
14 any other state.

15 (2) The large number of units of local government  
16 results in the inefficient delivery of governmental  
17 services at a higher cost to taxpayers.

18 (3) In a number of cases, units of local government  
19 provide services that are duplicative in nature, as they  
20 are provided by other units of local government.

21 (4) It is in the best interest of taxpayers that more  
22 efficient service delivery structures be established in

1 order to replace units of local government that are not  
2 financially sustainable.

3 (5) Units of local government managed by appointed  
4 governing boards not directly accountable to the  
5 electorate can encourage a lack of oversight and  
6 complacency that is not in the best interest of taxpayers.

7 (6) Various provisions of Illinois law governing the  
8 dissolution of units of local government are inconsistent  
9 and outdated.

10 (7) The lack of a streamlined method to consolidate  
11 government functions and to dissolve units of local  
12 government results in an unfair tax burden on the citizens  
13 of the State of Illinois residing in those units of local  
14 government and prevents the expenditure of limited public  
15 funds for critical programs and services.

16 (b) The purpose of this Act is to provide county boards  
17 with supplemental authority regarding the dissolution of units  
18 of local government and the consolidation of governmental  
19 functions.

20 (55 ILCS 5/5-44010 new)

21 Sec. 5-44010. Applicability. The powers and authorities  
22 provided by this Division 5-44 apply only to counties with a  
23 population of more than 900,000 and less than 3,000,000 that  
24 are contiguous to a county with a population of more than  
25 3,000,000 and units of local government within such counties.

1 (55 ILCS 5/5-44015 new)

2 Sec. 5-44015. Powers; supplemental. The Sections of this  
3 Division 5-44 are intended to be supplemental and in addition  
4 to all other powers and authorities granted to any county  
5 board, shall be construed liberally, and shall not be construed  
6 as a limitation of any power or authority otherwise granted.

7 (55 ILCS 5/5-44020 new)

8 Sec. 5-44020. Definitions. In this Division 5-44:

9 "Fire protection jurisdiction" means a fire protection  
10 district, municipal fire department, or service organized  
11 under Section 5-1056.1 of the Counties Code, Sections 195 and  
12 200 of the Township Code, Section 10-2.1 of the Illinois  
13 Municipal Code, or the Illinois Fire Protection District Act.

14 "Governing board" means the individual or individuals who  
15 constitute the corporate authorities of a unit of local  
16 government; and

17 "Unit of local government" or "unit" means any unit of  
18 local government located entirely within one county, to which  
19 the county board chairman or county executive directly appoints  
20 a majority of its governing board with the advice and consent  
21 of the county board, but shall not include a fire protection  
22 district that directly employs any regular full-time employees  
23 or a special district organized under the Water Commission Act  
24 of 1985.

1 (55 ILCS 5/5-44025 new)

2 Sec. 5-44025. Dissolution of units of local government.

3 (a) A county board may, by ordinance, propose the  
4 dissolution of a unit of local government. The ordinance shall  
5 detail the purpose and cost savings to be achieved by such  
6 dissolution, and be published in a newspaper of general  
7 circulation served by the unit of local government and on the  
8 county's website, if applicable.

9 (b) Upon the effective date of an ordinance enacted  
10 pursuant to subsection (a) of this Section, the chairman of the  
11 county board shall cause an audit of all claims against the  
12 unit, all receipts of the unit, the inventory of all real and  
13 personal property owned by the unit or under its control or  
14 management, and any debts owed by the unit. The chairman may,  
15 at his or her discretion, undertake any other audit or  
16 financial review of the affairs of the unit. The person or  
17 entity conducting such audit shall report the findings of the  
18 audit to the county board and to the chairman of the county  
19 board within 30 days.

20 (c) Following the return of the audit report required by  
21 subsection (b) of this Section, the county board may adopt an  
22 ordinance dissolving the unit 150 days following the effective  
23 date of the ordinance. Upon adoption of the ordinance, but not  
24 before the end of the 30-day period set forth in subsection (e)  
25 of this Section and prior to its effective date, the chairman

1 of the county board shall petition the circuit court for an  
2 order designating a trustee-in-dissolution for the unit,  
3 immediately terminating the terms of the members of the  
4 governing board of the unit of local government on the  
5 effective date of the ordinance, and providing for the  
6 compensation of the trustee, which shall be paid from the  
7 corporate funds of the unit.

8 (d) Upon the effective date of an ordinance enacted under  
9 subsection (c) of this Section, and notwithstanding any other  
10 provision of law, the State's attorney, or his or her designee,  
11 shall become the exclusive legal representative of the  
12 dissolving unit of local government. The county treasurer shall  
13 become the treasurer of the unit of local government and the  
14 county clerk shall become the secretary of the unit of local  
15 government.

16 (e) Any dissolution of a unit of local government proposed  
17 pursuant to this Act shall be subject to a backdoor referendum.  
18 In addition to, or as part of, the authorizing ordinance  
19 enacted pursuant to subsection (c) of this Section, a notice  
20 shall be published that includes: (1) the specific number of  
21 voters required to sign a petition requesting that the question  
22 of dissolution be submitted to referendum; (2) the time when  
23 such petition must be filed; (3) the date of the prospective  
24 referendum; and (4) the statement of the cost savings and the  
25 purpose or basis for the dissolution as set forth in the  
26 authorizing ordinance under subsection (a) of this Section. The

1 county's election authority shall provide a petition form to  
2 anyone requesting one. If no petition is filed with the  
3 county's election authority within 30 days of publication of  
4 the authorizing ordinance and notice, the ordinance shall  
5 become effective.

6 However, the election authority shall certify the question  
7 for submission at the next election held in accordance with  
8 general election law if a petition: (1) is filed within the  
9 30-day period; (2) is signed by electors numbering either 7.5%  
10 of the registered voters in the governmental unit or 200  
11 registered voters, whichever is less; and (3) asks that the  
12 question of dissolution be submitted to referendum.

13 The election authority shall submit the question to voters  
14 residing in the area served by the unit of local government in  
15 substantially the following form:

16 Shall the county board be authorized to dissolve [name  
17 of unit of local government]?

18 The election authority shall record the votes as "Yes" or  
19 "No".

20 If a majority of the votes cast on the question at such  
21 election are in favor of dissolution of the unit of local  
22 government and provided that notice of the referendum was  
23 provided as set forth in Section 12-5 of the Election Code, the  
24 county board is authorized to proceed pursuant to subsection  
25 (c) of this Section.

1 (55 ILCS 5/5-44030 new)

2 Sec. 5-44030. Trustee-in-dissolution; powers and duties.

3 (a) The trustee-in-dissolution shall have the following  
4 powers and duties:

5 (1) to execute all of the powers and duties of the  
6 previous board;

7 (2) to levy and rebate taxes, subject to the approval  
8 of the county board, for the purpose of paying the debts,  
9 obligations, and liabilities of the unit that are  
10 outstanding on the date of the dissolution and the  
11 necessary expenses of closing up the affairs of the  
12 district if these funds are not available from the unit of  
13 local government's general fund;

14 (3) to present, within 30 days of his or her  
15 appointment, a plan for the consolidation and dissolution  
16 of the unit of local government to the county board for its  
17 approval. The plan shall identify what functions, if any,  
18 of the unit of local government shall be undertaken by the  
19 county upon dissolution and whether any taxes previously  
20 levied for the provision of these functions shall be  
21 maintained;

22 (4) to enter into an intergovernmental agreement with  
23 one or more governmental entities to utilize existing  
24 resources including, but not limited to, labor, materials,  
25 and property, as may be needed to carry out the foregoing  
26 duties;

1           (5) to enter into an intergovernmental agreement with  
2           the county to combine or transfer any of the powers,  
3           privileges, functions, or authority of the unit of local  
4           government to the county as may be required to facilitate  
5           the transition; and

6           (6) to sell the property of the unit and, in case any  
7           excess remains after all liabilities of the unit are paid,  
8           the excess shall be transferred to a special fund created  
9           and maintained by the county treasurer to be expended  
10           solely to defer the costs incurred by the county in  
11           performing the duties of the unit, subject to the  
12           requirements of Section 5-44035 of this Division. Nothing  
13           in this Section shall prohibit the county from acquiring  
14           any or all real or personal property of the district.

15           (b) For fire protection jurisdictions, the  
16           trustee-in-dissolution shall not have:

17           (1) the powers enumerated in this Section unless the  
18           dissolution of that unit of local government shall not  
19           increase the average response times nor decrease the level  
20           of services provided; and

21           (2) the power to decrease the levy that is in effect on  
22           or before the date of dissolution of the fire protection  
23           jurisdiction that affects the provision of fire and  
24           emergency medical services.



1       Sec. 5-44035. Outstanding indebtedness.

2       (a) In case any unit dissolved pursuant to this Division  
3 has bonds or notes outstanding that are a lien on funds  
4 available in the treasury at the time of consolidation, such  
5 lien shall be unimpaired by such dissolution and the lien shall  
6 continue in favor of the bond or note holders. The funds  
7 available subject to such a lien shall be set apart and held  
8 for the purpose of retiring such secured debt and no such funds  
9 shall be transferred into the general funds of the county.

10       (b) In case any unit dissolved pursuant to this Division  
11 has unsecured debts outstanding at the time of dissolution, any  
12 funds in the treasury of such unit or otherwise available and  
13 not committed shall, to the extent necessary, be applied to the  
14 payment of such debts.

15       (c) All property in the territory served by the dissolved  
16 unit of government shall be subject to taxation to pay the  
17 debts, bonds, and obligations of the dissolved district. The  
18 county board shall abate this taxation upon the discharge of  
19 all outstanding obligations.

20       (55 ILCS 5/5-44040 new)

21       Sec. 5-44040. Effect of dissolution. Immediately upon the  
22 dissolution of a unit of local government pursuant to this  
23 Division:

24       (a) Notwithstanding the provisions of the Special Service  
25 Area Tax Law of the Property Tax Code that pertain to the

1 establishment of special service areas, all or part of the  
2 territory formerly served by the dissolved unit of local  
3 government may be established as a special service area or  
4 areas of the county if the county board by resolution  
5 determines that this designation is necessary for it to provide  
6 services. The special service area, if created, shall include  
7 all territory formerly served by the dissolved unit of local  
8 government if the dissolved unit has outstanding indebtedness.  
9 If the boundaries of a special service area created under this  
10 subsection include territory within a municipality, the  
11 corporate authorities of that municipality may, with the  
12 consent of the county, assume responsibility for the special  
13 service area and become its governing body.

14 All or part of the territory formerly served by a dissolved  
15 fire protection jurisdiction shall not be established as a  
16 special service area unless the creation of the special service  
17 area does not increase the average response times nor decrease  
18 the level of service provided.

19 (b) In addition to any other powers provided by law, the  
20 governing body of a special service area created pursuant to  
21 this subsection shall assume and is authorized to exercise all  
22 the powers and duties of the dissolved unit with respect to the  
23 special service area. The governing body is also authorized to  
24 continue to levy any tax previously imposed by the unit of  
25 local government within the special service area. However, the  
26 governing board shall not have the power to decrease the levy

1 that is in effect on or before the date of dissolution of the  
2 fire protection jurisdiction that affects the provision of fire  
3 and emergency medical services.

4 (c) Subsequent increases of the current tax levy within the  
5 special service area or areas shall be made in accordance with  
6 the provisions of the Special Service Area Tax Law of the  
7 Property Tax Code.

8 (55 ILCS 5/5-44045 new)

9 Sec. 5-44045. Abatement of levy. Whenever a county has  
10 dissolved a unit of local government pursuant to this Division,  
11 the county or municipality shall, within 6 months of the  
12 effective date of the dissolution and every year thereafter,  
13 evaluate the need to continue any existing tax levy until the  
14 county or municipality abates the levy in the manner set forth  
15 by the Special Service Area Tax Law of the Property Tax Code.

16 (55 ILCS 5/5-44050 new)

17 Sec. 5-44050. Tax collection and enforcement. The  
18 dissolution of a unit of government pursuant to this Division  
19 shall not adversely affect proceedings for the collection or  
20 enforcement of any tax. Those proceedings shall continue to  
21 finality as though no dissolution had taken place. The proceeds  
22 thereof shall be paid over to the treasurer of the county to be  
23 used for the purpose for which the tax was levied or assessed.  
24 Proceedings to collect and enforce such taxes may be instituted

1 and carried on in the name of the unit.

2 (55 ILCS 5/5-44055 new)

3 Sec. 5-44055. Litigation. All suits pending in any court on  
4 behalf of or against a unit dissolved pursuant to this Division  
5 may be prosecuted or defended in the name of the county by the  
6 State's attorney. All judgments obtained for a unit dissolved  
7 pursuant to this Division shall be collected and enforced by  
8 the county for its benefit.

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