

1 AMENDMENT TO HOUSE BILL 2367

2 AMENDMENT NO. _____. Amend House Bill 2367, AS AMENDED,
3 in the introductory portion of Section 5, before "7-146", by
4 inserting "7-132,"; and

5 in Section 5, by inserting before the beginning of Sec. 7-146
6 the following:

7 "(40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)
8 Sec. 7-132. Municipalities, instrumentalities and
9 participating instrumentalities included and effective dates.

10 (A) Municipalities and their instrumentalities.

11 (a) The following described municipalities, but not
12 including any with more than 1,000,000 inhabitants, and the
13 instrumentalities thereof, shall be included within and be
14 subject to this Article beginning upon the effective dates
15 specified by the Board:

16 (1) Except as to the municipalities and
17 instrumentalities thereof specifically excluded under
18 this Article, every county shall be subject to this
19 Article, and all cities, villages and incorporated towns
20 having a population in excess of 5,000 inhabitants as
21 determined by the last preceding decennial or subsequent
22 federal census, shall be subject to this Article

1 following publication of the census by the Bureau of the
2 Census. Within 90 days after publication of the census,
3 the Board shall notify any municipality that has become
4 subject to this Article as a result of that census, and
5 shall provide information to the corporate authorities of
6 the municipality explaining the duties and consequences
7 of participation. The notification shall also include a
8 proposed date upon which participation by the
9 municipality will commence.

10 However, for any city, village or incorporated town
11 that attains a population over 5,000 inhabitants after
12 having provided social security coverage for its
13 employees under the Social Security Enabling Act,
14 participation under this Article shall not be mandatory
15 but may be elected in accordance with subparagraph (3) or
16 (4) of this paragraph (a), whichever is applicable.

17 (2) School districts, other than those specifically
18 excluded under this Article, shall be subject to this
19 Article, without election, with respect to all employees
20 thereof.

21 (3) Towns and all other bodies politic and
22 corporate which are formed by vote of, or are subject to
23 control by, the electors in towns and are located in
24 towns which are not participating municipalities on the
25 effective date of this Act, may become subject to this
26 Article by election pursuant to Section 7-132.1.

27 (4) Any other municipality (together with its
28 instrumentalities), other than those specifically
29 excluded from participation and those described in
30 paragraph (3) above, may elect to be included either by
31 referendum under Section 7-134 or by the adoption of a
32 resolution or ordinance by its governing body. A copy of
33 such resolution or ordinance duly authenticated and
34 certified by the clerk of the municipality or other

1 appropriate official of its governing body shall
2 constitute the required notice to the board of such
3 action.

4 (b) A municipality that is about to begin participation
5 shall submit to the Board an application to participate, in a
6 form acceptable to the Board, not later than 90 days prior to
7 the proposed effective date of participation. The Board
8 shall act upon the application within 90 days, and if it
9 finds that the application is in conformity with its
10 requirements and the requirements of this Article,
11 participation by the applicant shall commence on a date
12 acceptable to the municipality and specified by the Board,
13 but in no event more than one year from the date of
14 application.

15 (c) A participating municipality which succeeds to the
16 functions of a participating municipality which is dissolved
17 or terminates its existence shall assume and be transferred
18 the net accumulation balance in the municipality reserve and
19 the municipality account receivable balance of the terminated
20 municipality.

21 (d) In the case of a Veterans Assistance Commission
22 whose employees were being treated by the Fund on January 1,
23 1990 as employees of the county served by the Commission, the
24 Fund may continue to treat the employees of the Veterans
25 Assistance Commission as county employees for the purposes of
26 this Article, unless the Commission becomes a participating
27 instrumentality in accordance with subsection (B) of this
28 Section.

29 (B) Participating instrumentalities.

30 (a) The participating instrumentalities designated in
31 paragraph (b) of this subsection shall be included within and
32 be subject to this Article if:

33 (1) an application to participate, in a form
34 acceptable to the Board and adopted by a two-thirds vote

1 of the governing body, is presented to the Board not
2 later than 90 days prior to the proposed effective date;
3 and

4 (2) the Board finds that the application is in
5 conformity with its requirements, that the applicant has
6 reasonable expectation to continue as a political entity
7 for a period of at least 10 years and has the prospective
8 financial capacity to meet its current and future
9 obligations to the Fund, and that the actuarial soundness
10 of the Fund may be reasonably expected to be unimpaired
11 by approval of participation by the applicant.

12 The Board shall notify the applicant of its findings
13 within 90 days after receiving the application, and if the
14 Board approves the application, participation by the
15 applicant shall commence on the effective date specified by
16 the Board.

17 (b) The following participating instrumentalities, so
18 long as they meet the requirements of Section 7-108 and the
19 area served by them or within their jurisdiction is not
20 located entirely within a municipality having more than one
21 million inhabitants, may be included hereunder:

- 22 i. Township School District Trustees.
- 23 ii. Multiple County and Consolidated Health
24 Departments created under Division 5-25 of the Counties
25 Code or its predecessor law.
- 26 iii. Public Building Commissions created under the
27 Public Building Commission Act, and located in counties
28 of less than 1,000,000 inhabitants.
- 29 iv. A multitype, consolidated or cooperative
30 library system created under the Illinois Library System
31 Act. Any library system created under the Illinois
32 Library System Act that has one or more predecessors that
33 participated in the Fund may participate in the Fund upon
34 application. The Board shall establish procedures for

1 implementing the transfer of rights and obligations from
2 the predecessor system to the successor system.

3 v. Regional Planning Commissions created under
4 Division 5-14 of the Counties Code or its predecessor
5 law.

6 vi. Local Public Housing Authorities created under
7 the Housing Authorities Act, located in counties of less
8 than 1,000,000 inhabitants.

9 vii. Illinois Municipal League.

10 viii. Northeastern Illinois Metropolitan Area
11 Planning Commission.

12 ix. Southwestern Illinois Metropolitan Area
13 Planning Commission.

14 x. Illinois Association of Park Districts.

15 xi. Illinois Supervisors, County Commissioners and
16 Superintendents of Highways Association.

17 xii. Tri-City Regional Port District.

18 xiii. An association, or not-for-profit
19 corporation, membership in which is authorized under
20 Section 85-15 of the Township Code.

21 xiv. Drainage Districts operating under the
22 Illinois Drainage Code.

23 xv. Local mass transit districts created under the
24 Local Mass Transit District Act.

25 xvi. Soil and water conservation districts created
26 under the Soil and Water Conservation Districts Law.

27 xvii. Commissions created to provide water supply
28 or sewer services or both under Division 135 or Division
29 136 of Article 11 of the Illinois Municipal Code.

30 xviii. Public water districts created under the
31 Public Water District Act.

32 xix. Veterans Assistance Commissions established
33 under Section 9 of the Military Veterans Assistance Act
34 that serve counties with a population of less than

1 1,000,000.

2 xx. The governing body of an entity, other than a
3 vocational education cooperative, created under an
4 intergovernmental cooperative agreement established
5 between participating municipalities under the
6 Intergovernmental Cooperation Act, which by the terms of
7 the agreement is the employer of the persons performing
8 services under the agreement under the usual common law
9 rules determining the employer-employee relationship.
10 The governing body of such an intergovernmental
11 cooperative entity established prior to July 1, 1988 may
12 make participation retroactive to the effective date of
13 the agreement and, if so, the effective date of
14 participation shall be the date the required application
15 is filed with the fund. If any such entity is unable to
16 pay the required employer contributions to the fund, then
17 the participating municipalities shall make payment of
18 the required contributions and the payments shall be
19 allocated as provided in the agreement or, if not so
20 provided, equally among them.

21 xxi. The Illinois Municipal Electric Agency.

22 xxii. The Waukegan Port District.

23 xxiii. The Fox Waterway Agency created under the
24 Fox Waterway Agency Act.

25 xxiv. The Illinois Municipal Gas Agency.

26 (c) The governing boards of special education joint
27 agreements created under Section 10-22.31 of the School Code
28 without designation of an administrative district shall be
29 included within and be subject to this Article as
30 participating instrumentalities when the joint agreement
31 becomes effective. However, the governing board of any such
32 special education joint agreement in effect before September
33 5, 1975 shall not be subject to this Article unless the joint
34 agreement is modified by the school districts to provide that

1 the governing board is subject to this Article, except as
2 otherwise provided by this Section.

3 The governing board of the Special Education District of
4 Lake County shall become subject to this Article as a
5 participating instrumentality on July 1, 1997.
6 Notwithstanding subdivision (a)1 of Section 7-139, on the
7 effective date of participation, employees of the governing
8 board of the Special Education District of Lake County shall
9 receive creditable service for their prior service with that
10 employer, up to a maximum of 5 years, without any employee
11 contribution. Employees may establish creditable service for
12 the remainder of their prior service with that employer, if
13 any, by applying in writing and paying an employee
14 contribution in an amount determined by the Fund, based on
15 the employee contribution rates in effect at the time of
16 application for the creditable service and the employee's
17 salary rate on the effective date of participation for that
18 employer, plus interest at the effective rate from the date
19 of the prior service to the date of payment. Application for
20 this creditable service must be made before July 1, 1998; the
21 payment may be made at any time while the employee is still
22 in service. The employer may elect to make the required
23 contribution on behalf of the employee.

24 The governing board of a special education joint
25 agreement created under Section 10-22.31 of the School Code
26 for which an administrative district has been designated, if
27 there are employees of the cooperative educational entity who
28 are not employees of the administrative district, may elect
29 to participate in the Fund and be included within this
30 Article as a participating instrumentality, subject to such
31 application procedures and rules as the Board may prescribe.

32 The Boards of Control of cooperative or joint educational
33 programs or projects created and administered under Section
34 3-15.14 of the School Code, whether or not the Boards act as

1 their own administrative district, shall be included within
2 and be subject to this Article as participating
3 instrumentalities when the agreement establishing the
4 cooperative or joint educational program or project becomes
5 effective.

6 The governing board of a special education joint
7 agreement entered into after June 30, 1984 and prior to
8 September 17, 1985 which provides for representation on the
9 governing board by less than all the participating districts
10 shall be included within and subject to this Article as a
11 participating instrumentality. Such participation shall be
12 effective as of the date the joint agreement becomes
13 effective.

14 The governing boards of educational service centers
15 established under Section 2-3.62 of the School Code shall be
16 included within and subject to this Article as participating
17 instrumentalities. The governing boards of vocational
18 education cooperative agreements created under the
19 Intergovernmental Cooperation Act and approved by the State
20 Board of Education shall be included within and be subject to
21 this Article as participating instrumentalities. If any such
22 governing boards or boards of control are unable to pay the
23 required employer contributions to the fund, then the school
24 districts served by such boards shall make payment of
25 required contributions as provided in Section 7-172. The
26 payments shall be allocated among the several school
27 districts in proportion to the number of students in average
28 daily attendance for the last full school year for each
29 district in relation to the total number of students in
30 average attendance for such period for all districts served.
31 If such educational service centers, vocational education
32 cooperatives or cooperative or joint educational programs or
33 projects created and administered under Section 3-15.14 of
34 the School Code are dissolved, the assets and obligations

1 shall be distributed among the districts in the same
2 proportions unless otherwise provided.

3 (d) The governing boards of special recreation joint
4 agreements created under Section 8-10b of the Park District
5 Code, operating without designation of an administrative
6 district or an administrative municipality appointed to
7 administer the program operating under the authority of such
8 joint agreement shall be included within and be subject to
9 this Article as participating instrumentalities when the
10 joint agreement becomes effective. However, the governing
11 board of any such special recreation joint agreement in
12 effect before January 1, 1980 shall not be subject to this
13 Article unless the joint agreement is modified, by the
14 districts and municipalities which are parties to the
15 agreement, to provide that the governing board is subject to
16 this Article.

17 If the Board returns any employer and employee
18 contributions to any employer which erroneously submitted
19 such contributions on behalf of a special recreation joint
20 agreement, the Board shall include interest computed from the
21 end of each year to the date of payment, not compounded, at
22 the rate of 7% per annum.

23 (e) Each multi-township assessment district, the board
24 of trustees of which has adopted this Article by ordinance
25 prior to April 1, 1982, shall be a participating
26 instrumentality included within and subject to this Article
27 effective December 1, 1981. The contributions required under
28 Section 7-172 shall be included in the budget prepared under
29 and allocated in accordance with Section 2-30 of the Property
30 Tax Code.

31 (f) Beginning January 1, 1992, each prospective
32 participating municipality or participating instrumentality
33 shall pay to the Fund the cost, as determined by the Board,
34 of a study prepared by the Fund or its actuary, detailing the

1 prospective costs of participation in the Fund to be expected
2 by the municipality or instrumentality.
3 (Source: P.A. 89-162, eff. 7-19-95; 90-511, eff. 8-22-97.)".