



Sen. Don Harmon

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LRB097 10961 EFG 66241 a

1 AMENDMENT TO HOUSE BILL 3474

2 AMENDMENT NO. _____. Amend House Bill 3474 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Section 7-132 as follows:

6 (40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)

7 Sec. 7-132. Municipalities, instrumentalities and
8 participating instrumentalities included and effective dates.

9 (A) Municipalities and their instrumentalities.

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

15 (1) Except as to the municipalities and

1 instrumentalities thereof specifically excluded under this
2 Article, every county shall be subject to this Article, and
3 all cities, villages and incorporated towns having a
4 population in excess of 5,000 inhabitants as determined by
5 the last preceding decennial or subsequent federal census,
6 shall be subject to this Article following publication of
7 the census by the Bureau of the Census. Within 90 days
8 after publication of the census, the Board shall notify any
9 municipality that has become subject to this Article as a
10 result of that census, and shall provide information to the
11 corporate authorities of the municipality explaining the
12 duties and consequences of participation. The notification
13 shall also include a proposed date upon which participation
14 by the municipality will commence.

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

22 (2) School districts, other than those specifically
23 excluded under this Article, shall be subject to this
24 Article, without election, with respect to all employees
25 thereof.

26 (3) Towns and all other bodies politic and corporate

1 which are formed by vote of, or are subject to control by,
2 the electors in towns and are located in towns which are
3 not participating municipalities on the effective date of
4 this Act, may become subject to this Article by election
5 pursuant to Section 7-132.1.

6 (4) Any other municipality (together with its
7 instrumentalities), other than those specifically excluded
8 from participation and those described in paragraph (3)
9 above, may elect to be included either by referendum under
10 Section 7-134 or by the adoption of a resolution or
11 ordinance by its governing body. A copy of such resolution
12 or ordinance duly authenticated and certified by the clerk
13 of the municipality or other appropriate official of its
14 governing body shall constitute the required notice to the
15 board of such action.

16 (b) A municipality that is about to begin participation
17 shall submit to the Board an application to participate, in a
18 form acceptable to the Board, not later than 90 days prior to
19 the proposed effective date of participation. The Board shall
20 act upon the application within 90 days, and if it finds that
21 the application is in conformity with its requirements and the
22 requirements of this Article, participation by the applicant
23 shall commence on a date acceptable to the municipality and
24 specified by the Board, but in no event more than one year from
25 the date of application.

26 (c) A participating municipality which succeeds to the

1 functions of a participating municipality which is dissolved or
2 terminates its existence shall assume and be transferred the
3 net accumulation balance in the municipality reserve and the
4 municipality account receivable balance of the terminated
5 municipality.

6 (d) In the case of a Veterans Assistance Commission whose
7 employees were being treated by the Fund on January 1, 1990 as
8 employees of the county served by the Commission, the Fund may
9 continue to treat the employees of the Veterans Assistance
10 Commission as county employees for the purposes of this
11 Article, unless the Commission becomes a participating
12 instrumentality in accordance with subsection (B) of this
13 Section.

14 (B) Participating instrumentalities.

15 (a) The participating instrumentalities designated in
16 paragraph (b) of this subsection shall be included within and
17 be subject to this Article if:

18 (1) an application to participate, in a form acceptable
19 to the Board and adopted by a two-thirds vote of the
20 governing body, is presented to the Board not later than 90
21 days prior to the proposed effective date; and

22 (2) the Board finds that the application is in
23 conformity with its requirements, that the applicant has
24 reasonable expectation to continue as a political entity
25 for a period of at least 10 years and has the prospective

1 financial capacity to meet its current and future
2 obligations to the Fund, and that the actuarial soundness
3 of the Fund may be reasonably expected to be unimpaired by
4 approval of participation by the applicant.

5 The Board shall notify the applicant of its findings within
6 90 days after receiving the application, and if the Board
7 approves the application, participation by the applicant shall
8 commence on the effective date specified by the Board.

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

14 i. Township School District Trustees.

15 ii. Multiple County and Consolidated Health
16 Departments created under Division 5-25 of the Counties
17 Code or its predecessor law.

18 iii. Public Building Commissions created under the
19 Public Building Commission Act, and located in counties of
20 less than 1,000,000 inhabitants.

21 iv. A multitype, consolidated or cooperative library
22 system created under the Illinois Library System Act. Any
23 library system created under the Illinois Library System
24 Act that has one or more predecessors that participated in
25 the Fund may participate in the Fund upon application. The
26 Board shall establish procedures for implementing the

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

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

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

8 vii. Illinois Municipal League.

9 viii. Northeastern Illinois Metropolitan Area Planning
10 Commission.

11 ix. Southwestern Illinois Metropolitan Area Planning
12 Commission.

13 x. Illinois Association of Park Districts.

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

16 xii. Tri-City Regional Port District.

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

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

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

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

26 xvii. Commissions created to provide water supply or

1 sewer services or both under Division 135 or Division 136
2 of Article 11 of the Illinois Municipal Code.

3 xviii. Public water districts created under the Public
4 Water District Act.

5 xix. Veterans Assistance Commissions established under
6 Section 9 of the Military Veterans Assistance Act that
7 serve counties with a population of less than 1,000,000.

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

1 xxi. The Illinois Municipal Electric Agency.

2 xxii. The Waukegan Port District.

3 xxiii. The Fox Waterway Agency created under the Fox
4 Waterway Agency Act.

5 xxiv. The Illinois Municipal Gas Agency.

6 xxv. The Kaskaskia Regional Port District.

7 xxvi. The Southwestern Illinois Development Authority.

8 xxvii. The Cairo Public Utility Company.

9 xxviii. Except with respect to employees who elect to
10 participate in the State Employees' Retirement System of
11 Illinois under Section 14-104.13 of this Code, the Chicago
12 Metropolitan Agency for Planning created under the
13 Regional Planning Act, provided that, with respect to the
14 benefits payable pursuant to Sections 7-146, 7-150, and
15 7-164 and the requirement that eligibility for such
16 benefits is conditional upon satisfying a minimum period of
17 service or a minimum contribution, any employee of the
18 Chicago Metropolitan Agency for Planning that was
19 immediately prior to such employment an employee of the
20 Chicago Area Transportation Study or the Northeastern
21 Illinois Planning Commission, such employee's service at
22 the Chicago Area Transportation Study or the Northeastern
23 Illinois Planning Commission and contributions to the
24 State Employees' Retirement System of Illinois established
25 under Article 14 and the Illinois Municipal Retirement Fund
26 shall count towards the satisfaction of such requirements.

1 xxix. United Counties Council (formerly the Urban
2 Counties Council), but only if the Council has a ruling
3 from the United States Internal Revenue Service that it is
4 a governmental entity.

5 xxx. The Will County Governmental League, but only if
6 the League has a ruling from the United States Internal
7 Revenue Service that it is a governmental entity.

8 (c) The governing boards of special education joint
9 agreements created under Section 10-22.31 of the School Code
10 without designation of an administrative district shall be
11 included within and be subject to this Article as participating
12 instrumentalities when the joint agreement becomes effective.
13 However, the governing board of any such special education
14 joint agreement in effect before September 5, 1975 shall not be
15 subject to this Article unless the joint agreement is modified
16 by the school districts to provide that the governing board is
17 subject to this Article, except as otherwise provided by this
18 Section.

19 The governing board of the Special Education District of
20 Lake County shall become subject to this Article as a
21 participating instrumentality on July 1, 1997. Notwithstanding
22 subdivision (a)1 of Section 7-139, on the effective date of
23 participation, employees of the governing board of the Special
24 Education District of Lake County shall receive creditable
25 service for their prior service with that employer, up to a
26 maximum of 5 years, without any employee contribution.

1 Employees may establish creditable service for the remainder of
2 their prior service with that employer, if any, by applying in
3 writing and paying an employee contribution in an amount
4 determined by the Fund, based on the employee contribution
5 rates in effect at the time of application for the creditable
6 service and the employee's salary rate on the effective date of
7 participation for that employer, plus interest at the effective
8 rate from the date of the prior service to the date of payment.
9 Application for this creditable service must be made before
10 July 1, 1998; the payment may be made at any time while the
11 employee is still in service. The employer may elect to make
12 the required contribution on behalf of the employee.

13 The governing board of a special education joint agreement
14 created under Section 10-22.31 of the School Code for which an
15 administrative district has been designated, if there are
16 employees of the cooperative educational entity who are not
17 employees of the administrative district, may elect to
18 participate in the Fund and be included within this Article as
19 a participating instrumentality, subject to such application
20 procedures and rules as the Board may prescribe.

21 The Boards of Control of cooperative or joint educational
22 programs or projects created and administered under Section
23 3-15.14 of the School Code, whether or not the Boards act as
24 their own administrative district, shall be included within and
25 be subject to this Article as participating instrumentalities
26 when the agreement establishing the cooperative or joint

1 educational program or project becomes effective.

2 The governing board of a special education joint agreement
3 entered into after June 30, 1984 and prior to September 17,
4 1985 which provides for representation on the governing board
5 by less than all the participating districts shall be included
6 within and subject to this Article as a participating
7 instrumentality. Such participation shall be effective as of
8 the date the joint agreement becomes effective.

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

1 educational programs or projects created and administered
2 under Section 3-15.14 of the School Code are dissolved, the
3 assets and obligations shall be distributed among the districts
4 in the same proportions unless otherwise provided.

5 The governing board of Paris Cooperative High School shall
6 be included within and be subject to this Article as a
7 participating instrumentality on the effective date of this
8 amendatory Act of the 96th General Assembly. If the governing
9 board of Paris Cooperative High School is unable to pay the
10 required employer contributions to the fund, then the school
11 districts served shall make payment of required contributions
12 as provided in Section 7-172. The payments shall be allocated
13 among the several school districts in proportion to the number
14 of students in average daily attendance for the last full
15 school year for each district in relation to the total number
16 of students in average attendance for such period for all
17 districts served. If Paris Cooperative High School is
18 dissolved, then the assets and obligations shall be distributed
19 among the districts in the same proportions unless otherwise
20 provided.

21 The Philip J. Rock Center and School shall be included
22 within and be subject to this Article as a participating
23 instrumentality on the effective date of this amendatory Act of
24 the 97th General Assembly. The Philip J. Rock Center and School
25 shall certify to the Fund the dates of service of all employees
26 within 90 days of the effective date of this amendatory Act of

1 the 97th General Assembly. The Fund shall transfer to the IMRF
2 account of the Philip J. Rock Center and School all creditable
3 service and all employer contributions made on behalf of the
4 employees for service at the Philip J. Rock Center and School
5 that were reported and paid to IMRF by another employer prior
6 to this date. If the Philip J. Rock Center and School is unable
7 to pay the required employer contributions to the Fund, then
8 the amount due will be paid by all employers as defined in item
9 (2) of paragraph (a) of subsection (A) of this Section. The
10 payments shall be allocated among these employers in proportion
11 to the number of students in average daily attendance for the
12 last full school year for each district in relation to the
13 total number of students in average attendance for such period
14 for all districts. If the Philip J. Rock Center and School is
15 dissolved, then its IMRF assets and obligations shall be
16 distributed in the same proportions unless otherwise provided.

17 Financial Oversight Panels established under Article 1H of
18 the School Code shall be included within and be subject to this
19 Article as a participating instrumentality on the effective
20 date of this amendatory Act of the 97th General Assembly. If
21 the Financial Oversight Panel is unable to pay the required
22 employer contributions to the fund, then the school districts
23 served shall make payment of required contributions as provided
24 in Section 7-172. If the Financial Oversight Panel is
25 dissolved, then the assets and obligations shall be distributed
26 to the district served.

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

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

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

1 (f) The Illinois Medical District Commission created under
2 the Illinois Medical District Act may be included within and
3 subject to this Article as a participating instrumentality,
4 notwithstanding that the location of the District is entirely
5 within the City of Chicago. To become a participating
6 instrumentality, the Commission must apply to the Board in the
7 manner set forth in paragraph (a) of this subsection (B). If
8 the Board approves the application, under the criteria and
9 procedures set forth in paragraph (a) and any other applicable
10 rules, criteria, and procedures of the Board, participation by
11 the Commission shall commence on the effective date specified
12 by the Board.

13 (C) Prospective participants.

14 Beginning January 1, 1992, each prospective participating
15 municipality or participating instrumentality shall pay to the
16 Fund the cost, as determined by the Board, of a study prepared
17 by the Fund or its actuary, detailing the prospective costs of
18 participation in the Fund to be expected by the municipality or
19 instrumentality.

20 (Source: P.A. 96-211, eff. 8-10-09; 96-551, eff. 8-17-09;
21 96-1000, eff. 7-2-10; 96-1046, eff. 7-14-10; 97-429, eff.
22 8-16-11.)

23 Section 90. The State Mandates Act is amended by adding
24 Section 8.36 as follows:

1 (30 ILCS 805/8.36 new)

2 Sec. 8.36. 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.".