

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 Township Code is amended by changing
5 Sections 205-140 and 205-145 and by adding Section 205-141 as
6 follows:

7 (60 ILCS 1/205-140)

8 Sec. 205-140. Initiating proceedings for particular
9 locality; rates and charges; lien.

10 (a) This Section applies to townships to which Section
11 205-141 does not apply.

12 (a-1) ~~(a)~~ A township board may initiate proceedings under
13 Sections 205-130 through 205-150 in the manner provided by
14 Section 205-20.

15 (b) The township board may establish the rate or charge to
16 each user of the waterworks system or sewerage system, or
17 combined waterworks and sewerage system, or improvement or
18 extension at a rate that will be sufficient to pay the
19 principal and interest of any bonds issued to pay the cost of
20 the system, improvement, or extension and the maintenance and
21 operation of the system, improvement, or extension and may
22 provide an adequate depreciation fund for the bonds. Charges or
23 rates shall be established, revised, and maintained by

1 ordinance and become payable as the township board determines
2 by ordinance.

3 (c) The charges or rates are liens upon the real estate
4 upon or for which sewerage service is supplied whenever the
5 charges or rates become delinquent as provided by the ordinance
6 of the board fixing a delinquency date.

7 (d) Notwithstanding any provision of law to the contrary,
8 the township shall conduct a cost study regarding the
9 connection charge of the township:

10 (1) before the township increases or creates a
11 connection charge;

12 (2) upon the request of the supervisor or a majority of
13 the township board of the township;

14 (3) upon the request of a majority of the mayors or
15 village presidents of the municipalities located within or
16 substantially within the township or township's facility
17 planning area; or

18 (4) upon the filing with the township board of a
19 petition signed by 10% or more of the customers who have
20 paid connection charges to the township in the previous 5
21 calendar years.

22 The cost study shall be conducted by an independent entity
23 within 6 months of action taken under paragraphs (1), (2), (3),
24 or (4) of this subsection (d). For purposes of subsections (d)
25 and (e), the term "independent entity" shall mean an
26 engineering firm that has not entered into a contract with any

1 State agency, unit of local government, or non-governmental
2 entity for goods or services within the township or township
3 service area in the 24 months prior to being contracted to
4 perform the cost study. After performing a cost study under
5 this subsection (d), an independent entity may not contract
6 with any State agency, unit of local government, or
7 non-governmental entity for goods or services within the
8 township or township service area in the 24 months after
9 completion of the cost study other than to perform further cost
10 studies under this subsection (d). A township shall not be
11 required to conduct more than one cost study in a 60 month
12 period under paragraphs (3) or (4) of this subsection (d). The
13 cost study must include, at a minimum, an examination of
14 similar water main and sewer connection charges in neighboring
15 units of local government or units of local government similar
16 in size or population. Following the completion of the cost
17 study, no increase or new connection charge may be imposed
18 unless the increase or new charge is justified by the cost
19 study. If the connection charge the township charged prior to
20 completion of the cost study is higher than is justified by the
21 cost study, the township shall reduce its connection charge to
22 the amount justified by the cost study. For purposes of this
23 subsection (d), "connection charge" means any charge or fee, by
24 whatever name, assessed to recover the cost of connecting the
25 customer's water main, sewer, or water main and sewer service
26 line to the township's facilities, and includes only the direct

1 and indirect costs of physically tying the service line into
2 the township's main.

3 (e) If a cost study has been conducted pursuant to
4 subsection (d) of this Section and a new cost study is
5 requested under paragraph (3) or (4) of subsection (d), the
6 township shall obtain a written quote from an independent
7 entity detailing the cost of the requested cost study and one
8 of the following shall occur prior to a new cost study
9 beginning:

10 (1) each township, village, and municipality whose
11 mayor or president requested the cost study under paragraph
12 (3) of subsection (d) shall pay a proportionate share of
13 the entire cost of the cost study as detailed in the
14 written quote required under this subsection (e); or

15 (2) the customers who signed the petition under
16 paragraph (4) of subsection (d) shall pay a pro rata share
17 of the entire cost of the cost study as detailed in written
18 quote required under this subsection (e).

19 Payments required under either paragraph (1) or (2) of this
20 subsection (e) shall be made to the township clerk, who shall
21 forward the same to the independent entity upon receipt of
22 entire amount of the written quote for the cost study. If the
23 entire amount of the written quote for the cost study has not
24 been received within 90 days from the township clerk providing
25 public note of the amount of the written quote, then those
26 amounts received by the township clerk shall be refunded to the

1 persons or entities which paid them.

2 (Source: P.A. 99-481, eff. 9-22-15; 99-498, eff. 1-29-16.)

3 (60 ILCS 1/205-141 new)

4 Sec. 205-141. Initiating proceedings for particular
5 locality; rates and charges; lien; certain townships.

6 (a) This Section applies to any township that (i) has a
7 population between 31,500 and 32,000 according to the 2010
8 federal decennial census; and (ii) is located within a county
9 that has a population between 260,000 and 265,000 according to
10 the 2010 federal decennial census.

11 (a-1) A township board may initiate proceedings under
12 Sections 205-130 through 205-150 in the manner provided by
13 Section 205-20.

14 (b) The township board may establish a fair and reasonable
15 rate for each user of the waterworks system or sewerage system,
16 or combined waterworks and sewerage system, or improvement or
17 extension at a rate that will be sufficient to pay the
18 principal and interest of any bonds issued to pay the cost of
19 the system, improvement, or extension and the maintenance and
20 operation of the system, improvement, or extension and may
21 provide an adequate depreciation fund for the bonds. Rates
22 shall be established, revised, and maintained by ordinance and
23 become payable as the township board determines by ordinance.

24 (b-5) The township board may establish a fair and
25 reasonable connection charge for each new user added to the

1 township's waterworks system or sewerage system.

2 (c) The charges or rates are liens upon the real estate
3 upon or for which sewerage service is supplied whenever the
4 charges or rates become delinquent as provided by the ordinance
5 of the board fixing a delinquency date.

6 (d) Notwithstanding any provision of law to the contrary, a
7 cost study shall be conducted regarding the connection charge
8 of the township:

9 (1) before the township increases or creates a
10 connection charge;

11 (2) upon the request of the supervisor or a majority of
12 the township board of the township;

13 (3) upon the request of a majority of the mayors or
14 village presidents of the municipalities located within or
15 substantially within the township or township's facility
16 planning area; or

17 (4) upon the filing with the township board of a
18 petition signed by 10% or more of the customers who have
19 paid connection charges to the township in the previous 5
20 calendar years.

21 The cost study shall be conducted by an independent entity
22 within 6 months of action taken under paragraphs (1), (2), (3),
23 or (4) of this subsection (d). If a cost study is requested
24 under paragraphs (1) or (2) of this subsection, then the
25 township shall order and pay for the cost study. If a cost
26 study is requested under paragraphs (3) or (4) of this

1 subsection, then the municipalities whose mayors or presidents
2 requested the cost study under paragraph (3), or the customers
3 who filed a petition under paragraph (4), shall choose the
4 independent entity to conduct the cost study, order the cost
5 study, and pay for the cost study. After performing a cost
6 study under this subsection (d), an independent entity may not
7 contract with any State agency, unit of local government, or
8 non-governmental entity for goods or services within the
9 township or township service area in the 24 months after
10 completion of the cost study other than to perform further cost
11 studies under this subsection (d). A township shall not be
12 required to conduct more than one cost study in a 60 month
13 period under paragraphs (3) or (4) of this subsection (d). The
14 cost study must include, at a minimum, an examination of
15 residential and commercial connection charges for the
16 waterworks system or sewerage system, whichever applies, in at
17 least 30 units of local government in Illinois with a similar
18 number of customers as are connected to the township's
19 waterworks system and sewerage system. Following the
20 completion of the cost study, no increase or new connection
21 charge may be imposed unless the increase or new charge is
22 justified by the cost study. If the connection charge the
23 township charged prior to completion of the cost study is
24 higher than is justified by the cost study, the township shall
25 reduce its connection charge to the amount justified by the
26 cost study.

1 (e) For purposes of this Section:

2 "Connection charge" means any nominal charge or fee, by
3 whatever name, assessed to recover the cost of connecting the
4 customer's water main, sewer, or water main and sewer service
5 line to the township's facilities, and includes only the direct
6 and indirect costs of physically tying the service line into
7 the township's main line in the adjoining utility easement.

8 "Independent entity" means an engineering firm that has not
9 entered into a contract with any State agency, unit of local
10 government, or non-governmental entity for goods or services
11 within the township or township service area in the 24 months
12 prior to being contracted to perform the cost study.

13 (60 ILCS 1/205-145)

14 Sec. 205-145. Special fund. All revenue derived from the
15 operation of a waterworks system or sewerage system, or
16 combined waterworks and sewerage system, constructed,
17 acquired, extended, or improved to serve a particular locality
18 shall be set aside as collected and shall be deposited in a
19 special fund of the township. That fund shall be used only (i)
20 to pay the cost of operating and maintaining the waterworks
21 system or sewerage system, or combined waterworks and sewerage
22 system, constructed, acquired, extended, or improved to serve a
23 particular locality, (ii) to provide an adequate depreciation
24 fund, and (iii) to pay the principal and interest on the bonds
25 issued by the township under Sections 205-130 through 205-141

1 ~~205-140~~ for the purpose of constructing, acquiring, extending,
2 or improving the system.

3 (Source: P.A. 76-1360; 88-62.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.