

SB2061



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2061

Introduced 2/15/2019, by Sen. Iris Y. Martinez

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-168

from Ch. 108 1/2, par. 5-168

Amends the Chicago Police Article of the Illinois Pension Code. Provides that any proceeds received by the city in relation to the operation of gaming positions or sports betting within the city shall be expended by the city for payment to the Policemen's Annuity and Benefit Fund of Chicago to satisfy the city contribution obligation in any year.

LRB101 10650 RPS 55757 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

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 5-168 as follows:

6 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)
7 Sec. 5-168. Financing.

8 (a) Except as expressly provided in this Section, the city
9 shall levy a tax annually upon all taxable property therein for
10 the purpose of providing revenue for the fund.

11 The tax shall be at a rate that will produce a sum which,
12 when added to the amounts deducted from the policemen's
13 salaries and the amounts deposited in accordance with
14 subsection (g), is sufficient for the purposes of the fund.

15 For the years 1968 and 1969, the city council shall levy a
16 tax annually at a rate on the dollar of the assessed valuation
17 of all taxable property that will produce, when extended, not
18 to exceed \$9,700,000. Beginning with the year 1970 and through
19 2014, the city council shall levy a tax annually at a rate on
20 the dollar of the assessed valuation of all taxable property
21 that will produce when extended an amount not to exceed the
22 total amount of contributions by the policemen to the Fund made
23 in the calendar year 2 years before the year for which the

1 applicable annual tax is levied, multiplied by 1.40 for the tax
2 levy year 1970; by 1.50 for the year 1971; by 1.65 for 1972; by
3 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975 through 1981;
4 by 2.00 for 1982 and for each tax levy year through 2014.
5 Beginning in tax levy year 2015, the city council shall levy a
6 tax annually at a rate on the dollar of the assessed valuation
7 of all taxable property that will produce when extended an
8 annual amount that is equal to no less than the amount of the
9 city's contribution in each of the following payment years: for
10 2016, \$420,000,000; for 2017, \$464,000,000; for 2018,
11 \$500,000,000; for 2019, \$557,000,000; for 2020, \$579,000,000.

12 Beginning in tax levy year 2020, the city council shall
13 levy a tax annually at a rate on the dollar of the assessed
14 valuation of all taxable property that will produce when
15 extended an annual amount that is equal to no less than (1) the
16 normal cost to the Fund, plus (2) an annual amount sufficient
17 to bring the total assets of the Fund up to 90% of the total
18 actuarial liabilities of the Fund by the end of fiscal year
19 2055, as annually updated and determined by an enrolled actuary
20 employed by the Illinois Department of Insurance or by an
21 enrolled actuary retained by the Fund. In making these
22 determinations, the required minimum employer contribution
23 shall be calculated each year as a level percentage of payroll
24 over the years remaining up to and including fiscal year 2055
25 and shall be determined under the entry age normal actuarial
26 cost method. Beginning in payment year 2056, the city's total

1 required contribution in that year and each year thereafter
2 shall be an annual amount that is equal to no less than (1) the
3 normal cost of the Fund, plus (2) the annual amount determined
4 by an enrolled actuary employed by the Illinois Department of
5 Insurance or by an enrolled actuary retained by the Fund to be
6 equal to the amount, if any, needed to bring the total
7 actuarial assets of the Fund up to 90% of the total actuarial
8 liabilities of the Fund as of the end of the year, utilizing
9 the entry age normal cost method as provided above.

10 For the purposes of this subsection (a), contributions by
11 the policeman to the Fund shall not include payments made by a
12 policeman to establish credit under Section 5-214.2 of this
13 Code.

14 (a-5) For purposes of determining the required employer
15 contribution to the Fund, the value of the Fund's assets shall
16 be equal to the actuarial value of the Fund's assets, which
17 shall be calculated as follows:

18 (1) On March 30, 2011, the actuarial value of the
19 Fund's assets shall be equal to the market value of the
20 assets as of that date.

21 (2) In determining the actuarial value of the Fund's
22 assets for fiscal years after March 30, 2011, any actuarial
23 gains or losses from investment return incurred in a fiscal
24 year shall be recognized in equal annual amounts over the
25 5-year period following that fiscal year.

26 (a-7) If the city fails to transmit to the Fund

1 contributions required of it under this Article for more than
2 90 days after the payment of those contributions is due, the
3 Fund shall, after giving notice to the city, certify to the
4 State Comptroller the amounts of the delinquent payments, and
5 the Comptroller must, beginning in fiscal year 2016, deduct and
6 deposit into the Fund the certified amounts or a portion of
7 those amounts from the following proportions of grants of State
8 funds to the city:

9 (1) in fiscal year 2016, one-third of the total amount
10 of any grants of State funds to the city;

11 (2) in fiscal year 2017, two-thirds of the total amount
12 of any grants of State funds to the city; and

13 (3) in fiscal year 2018 and each fiscal year
14 thereafter, the total amount of any grants of State funds
15 to the city.

16 The State Comptroller may not deduct from any grants of
17 State funds to the city more than the amount of delinquent
18 payments certified to the State Comptroller by the Fund.

19 (b) The tax shall be levied and collected in like manner
20 with the general taxes of the city, and is in addition to all
21 other taxes which the city is now or may hereafter be
22 authorized to levy upon all taxable property therein, and is
23 exclusive of and in addition to the amount of tax the city is
24 now or may hereafter be authorized to levy for general purposes
25 under any law which may limit the amount of tax which the city
26 may levy for general purposes. The county clerk of the county

1 in which the city is located, in reducing tax levies under
2 Section 8-3-1 of the Illinois Municipal Code, shall not
3 consider the tax herein authorized as a part of the general tax
4 levy for city purposes, and shall not include the tax in any
5 limitation of the percent of the assessed valuation upon which
6 taxes are required to be extended for the city.

7 (c) On or before January 10 of each year, the board shall
8 notify the city council of the requirement that the tax herein
9 authorized be levied by the city council 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 within the fund; shall make an annual determination
13 of the amount of the required city contributions; and shall
14 certify the results thereof to the city council.

15 As soon as any revenue derived from the tax is collected it
16 shall be paid to the city treasurer of the city and shall be
17 held by him for the benefit of the fund in accordance with this
18 Article.

19 (d) If the funds available are insufficient during any year
20 to meet the requirements of this Article, the city may issue
21 tax anticipation warrants against the tax levy for the current
22 fiscal year.

23 (e) The various sums, including interest, to be contributed
24 by the city, shall be taken from the revenue derived from such
25 tax or otherwise as expressly provided in this Section. Any
26 moneys of the city derived from any source other than the tax

1 herein authorized shall not be used for any purpose of the fund
2 nor the cost of administration thereof, unless applied to make
3 the deposit expressly authorized in this Section or the
4 additional city contributions required under subsection (h).

5 (f) If it is not possible or practicable for the city to
6 make its contributions at the time that salary deductions are
7 made, the city shall make such contributions as soon as
8 possible thereafter, with interest thereon to the time it is
9 made.

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

1 (h) In addition to the contributions required under the
2 other provisions of this Article, by November 1 of the
3 following specified years, the city shall deposit with the city
4 treasurer for the benefit of the fund, to be held and used in
5 accordance with this Article, the following specified amounts:
6 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
7 \$5,040,000 in 2002; and \$4,620,000 in 2003.

8 The additional city contributions required under this
9 subsection are intended to decrease the unfunded liability of
10 the fund and shall not decrease the amount of the city
11 contributions required under the other provisions of this
12 Article. The additional city contributions made under this
13 subsection may be used by the fund for any of its lawful
14 purposes.

15 (i) Any proceeds received by the city in relation to the
16 operation of a casino or casinos, gaming positions, or sports
17 betting within the city shall be expended by the city for
18 payment to the Policemen's Annuity and Benefit Fund of Chicago
19 to satisfy the city contribution obligation in any year.

20 (Source: P.A. 99-506, eff. 5-30-16.)