

SB2749



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2749

Introduced 2/4/2020, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-10-1

from Ch. 24, par. 11-10-1

65 ILCS 5/11-10-2

from Ch. 24, par. 11-10-2

Amends the Illinois Municipal Code. Provides that the fee that must be paid to a foreign fire insurance board by a corporation, company, or association that is not incorporated under the laws of the State and which is engaged in effecting fire insurance in the municipality or fire protection district shall be 2% of the gross receipts received from fire insurance upon property situated within the municipality or district (rather than a sum not exceeding 2%). Allows a foreign fire insurance board aggrieved by a violation relating to foreign fire insurance board fees to file suit. Provides that a department foreign fire insurance board may: (i) establish, manage, and maintain an account for the holding and expenditure of all funds paid to the board; (ii) contract for the purchase of goods and services; and (iii) sue all parties necessary to enforce its rights. Limits home rule powers. Makes other changes. Effective immediately.

LRB101 16888 AWJ 66287 b

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

A BILL FOR

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 Illinois Municipal Code is amended by
5 changing Sections 11-10-1 and 11-10-2 as follows:

6 (65 ILCS 5/11-10-1) (from Ch. 24, par. 11-10-1)

7 Sec. 11-10-1. (a) In each municipality or fire protection
8 district, whether incorporated under a general or special law,
9 which has a fire department established and maintained by
10 municipal or fire protection district ordinances, every
11 corporation, company, and association which is not
12 incorporated under the laws of this state and which is engaged
13 in effecting fire insurance in the municipality or fire
14 protection district, shall pay to the foreign fire insurance
15 board or to the secretary of the fire protection district for
16 the maintenance, use, and benefit of the fire department
17 thereof, a sum of ~~not exceeding~~ 2% of the gross receipts
18 received from fire insurance upon property situated within the
19 municipality or district.

20 ~~Each municipality and fire protection district may~~
21 ~~prescribe by ordinance the rate of the tax or license fee to be~~
22 ~~paid, but this rate shall not exceed the rate specified in this~~
23 ~~section.~~ Each designated corporation, company, and association

1 shall pay at the rate so prescribed by this subsection, upon
2 the amount of all premiums which have been received during the
3 year ending on every first day of July for all fire insurance
4 effected or agreed to be effected on property situated within
5 the municipality or fire protection district, by that
6 corporation, company, or association respectively.

7 Every person who acts in any specified municipality or fire
8 protection district as agent, or otherwise, on behalf of a
9 designated corporation, company, or association, shall render
10 to the treasurer of the foreign fire insurance board or
11 secretary of the fire protection district, on or before the
12 fifteenth day of July of each year, a full and true account,
13 verified by his oath, of all of the premiums which, during the
14 year ending on the first day of July preceding the report, were
15 received by him, or by any other person for him on behalf of
16 that corporation, company, or association. He shall specify in
17 this report the amounts received for fire insurance, and he
18 shall pay to the treasurer of the foreign fire insurance board,
19 or to the secretary of the fire protection district, at the
20 time of rendering this report, the amount as determined by the
21 rate fixed by this subsection ~~by the ordinance of the~~
22 ~~municipality or fire protection district for which his~~
23 ~~corporation, company, or association is accountable under this~~
24 ~~section and the ordinance.~~

25 If this account is not rendered on or before the fifteenth
26 day of July of each year, or if the sum due remains unpaid

1 after that day, it shall be unlawful for any corporation,
2 company, or association, so in default, to transact any
3 business in the municipality or fire protection district until
4 the sum due has been fully paid. But this provision shall not
5 relieve any corporation, company, or association from the
6 payment of any loss upon any risk that may be taken in
7 violation of this requirement.

8 The amount of this tax or license fee may be recovered from
9 the corporation, company, or association which owes it, or from
10 its agent, by an action brought by a foreign fire insurance
11 board in the name and for the use of the municipality or fire
12 protection district ~~as for money had and received.~~

13 The foreign fire insurance board ~~municipal comptroller, if~~
14 ~~any, and if not, then the municipal clerk~~ or the secretary of
15 the fire protection district, or their designee, may examine
16 the books, records, and other papers and documents of a
17 designated agent, corporation, company, or association for the
18 purpose of verifying the correctness of the report of the
19 amounts received for fire insurance.

20 This subsection ~~section~~ shall not be applicable to receipts
21 from contracts of marine insurance, even though they include
22 insurance against fire, where the premium for the fire
23 insurance is not separately specified.

24 (b) A foreign fire insurance board aggrieved by a violation
25 of this Section may file suit in the Circuit Court in the
26 county where the alleged violation occurred.

1 (c) The regulation of foreign fire insurance boards and
2 their taxes or license fees are exclusive powers and functions
3 of the State. A home rule municipality may not regulate foreign
4 fire insurance boards and their taxes or license fees. This
5 Section is a denial and limitation of home rule powers and
6 functions under subsection (h) of Section 6 of Article VII of
7 the Illinois Constitution.

8 (Source: P.A. 95-807, eff. 8-12-08.)

9 (65 ILCS 5/11-10-2) (from Ch. 24, par. 11-10-2)

10 Sec. 11-10-2. (a) A department foreign fire insurance board
11 shall be created by and among the sworn members of ~~within~~ the
12 fire department of each municipality with fewer than 500,000
13 inhabitants that has an organized fire department. The board
14 shall consist of 7 trustees; the fire chief, who shall hold
15 office by virtue of rank, and 6 members, who shall be elected
16 at large by the sworn members of the department. If there is an
17 insufficient number of candidates to fill all these positions,
18 the number of board members may be reduced, but not to fewer
19 than 3 trustees. All members of the department shall be
20 eligible to be elected as officers of the department foreign
21 fire insurance board. The members of this board shall annually
22 elect officers. These officers shall be a chairman and a
23 treasurer. The trustees of the department foreign fire
24 insurance board shall make all needful rules and regulations
25 with respect to the department foreign fire insurance board and

1 the management of the money to be paid ~~appropriated~~ to the
2 board. The department foreign fire insurance board may
3 establish, manage, and maintain an account for the holding and
4 expenditure of all funds paid to the board. The department
5 foreign fire insurance board may contract for the purchase of
6 goods and services. The department foreign fire insurance board
7 may sue all parties necessary to enforce its rights under this
8 Section. The officers of the department foreign fire insurance
9 board shall develop and maintain a listing of those items that
10 the board feels are appropriate expenditures under this Act.
11 The treasurer of the department foreign fire insurance board
12 shall give a sufficient bond to the municipality in which the
13 fire department is organized. This bond shall be approved by
14 the mayor or president, as the case may be, conditioned upon
15 the faithful performance by the treasurer of his or her duties
16 under ~~the ordinance and~~ the rules and regulations provided for
17 in this section. The treasurer of the department foreign fire
18 insurance board shall receive the appropriated money and shall
19 pay out the money upon the order of the department foreign fire
20 insurance board for the maintenance, use, and benefit of the
21 department. As part of the annual municipal audit, these funds
22 shall be audited to verify that the funds have been expended by
23 that board only for the maintenance, use, and benefit of the
24 department.

25 (b) As used in this subsection, "active member" means a
26 member of the Chicago Fire Department who is not receiving a

1 disability pension, retired, or a deferred pensioner of the
2 Firemen's Annuity and Benefit Fund of Chicago.

3 A department foreign fire insurance board is created within
4 the Chicago Fire Department. The board shall consist of 7
5 trustees who shall be initially elected on or before January 1,
6 2019: the fire commissioner, who shall hold office by virtue of
7 rank, and 6 elected trustees, who shall be elected at large by
8 the sworn members of the department. If there is an
9 insufficient number of candidates seeking election to each
10 vacant trustee position, the number of board members is reduced
11 to 5 trustees, including the fire commissioner of the
12 department, until the next election cycle when there are enough
13 active members seeking election to fill all 7 member seats. All
14 active members are eligible to be elected as trustees of the
15 department foreign fire insurance board. Of the trustees first
16 elected, 3 trustees shall be elected to a 2-year term and 3
17 trustees shall be elected to a 3-year term. After the initial
18 election, a trustee shall be elected for a term of 3 years. If
19 a member of the board resigns, is removed, or is unable to
20 continue serving on the board, the vacancy shall be filled by
21 special election of the active members or, in the case of a
22 vacancy that will exist for fewer than 180 days until the term
23 expires, by appointment by majority vote of the members of the
24 board.

25 The members of the board shall annually elect officers.
26 These officers shall be a chairman, treasurer, and secretary.

1 The trustees of the board shall make rules and regulations with
2 respect to the board and the management of the money
3 appropriated to the board. The officers of the board shall
4 develop and maintain a listing of those items that the board
5 believes are appropriate expenditures under this subsection.
6 The treasurer of the board shall give a sufficient bond to the
7 City of Chicago. The cost of the bond shall be paid out of the
8 moneys in the board's fund. The bond shall be conditioned upon
9 the faithful performance by the treasurer of his or her duties
10 under the rules and regulations provided for in this
11 subsection. The treasurer of the board shall receive the
12 appropriated proceeds and shall disburse the proceeds upon the
13 order of the board for the maintenance, use, and benefit of the
14 department consistent with this subsection. As part of the
15 annual municipal audit, these funds shall be audited to verify
16 that the funds have been expended lawfully by the board
17 consistent with this subsection.

18 Within 30 days after receipt of any foreign fire insurance
19 proceeds by the City of Chicago, the City of Chicago shall
20 transfer the proceeds to the board by depositing the proceeds
21 into an account determined by the board, except that if the
22 effective date of this amendatory Act of the 100th General
23 Assembly is after July 31, 2018, then the City of Chicago
24 shall, for budget year 2019 only, transfer only 50% of the
25 proceeds to the board. Notwithstanding any other provision of
26 law: 50% of the foreign fire insurance proceeds received by the

1 board shall be used for the maintenance, use, benefit, or
2 enhancement of fire stations or training facilities used by the
3 active members of the fire department; 25% of the foreign fire
4 insurance proceeds received by the board shall be used for the
5 maintenance, use, benefit, or enhancement of emergency
6 response vehicles, tools, and equipment used by the active
7 members of the department; and 25% of the foreign fire
8 insurance proceeds received by the board shall be used for the
9 maintenance and enhancement of the department and for the use
10 and benefit of the active members of the department in a manner
11 otherwise consistent with this subsection. Foreign fire
12 insurance proceeds may not be used to purchase, maintain, or
13 enhance personal property of a member of the department, except
14 for personal property used in the performance of his or her
15 duties or training activities.

16 (c) The provisions of this Section shall be the exclusive
17 power of the State, pursuant to subsection (h) of Section 6 of
18 Article VII of the Constitution.

19 (Source: P.A. 100-656, eff. 7-31-18.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.