

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 and by adding Sections
6 11-10-0.01 and 11-10-2.5 as follows:

7 (65 ILCS 5/11-10-0.01 new)

8 Sec. 11-10-0.01. Short title. This Division may be cited
9 as the Foreign Fire Insurance License Fee Act.

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

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

1 municipality or district.

2 ~~Each municipality and fire protection district may~~
3 ~~prescribe by ordinance the rate of the tax or license fee to be~~
4 ~~paid, but this rate shall not exceed the rate specified in this~~
5 ~~section.~~ Each designated corporation, company, and association
6 shall pay the sum ~~at the rate~~ so prescribed by this subsection,
7 upon the amount of all premiums which have been received
8 during the year ending on every first day of July for all fire
9 insurance effected or agreed to be effected on property
10 situated within the municipality or fire protection district,
11 by that corporation, company, or association respectively.

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

1 ~~rate fixed by this subsection by the ordinance of the~~
2 ~~municipality or fire protection district for which his~~
3 ~~corporation, company, or association is accountable under this~~
4 ~~section and the ordinance.~~

5 If this account is not rendered on or before the fifteenth
6 day of July of each year, or if the sum due remains unpaid
7 after that day, it shall be unlawful for any corporation,
8 company, or association, so in default, to transact any
9 business in the municipality or fire protection district until
10 the sum due has been fully paid. But this provision shall not
11 relieve any corporation, company, or association from the
12 payment of any loss upon any risk that may be taken in
13 violation of this requirement.

14 The amount of this ~~tax or~~ license fee may be recovered from
15 the corporation, company, ~~or~~ association, or any third party
16 which owes it, or from its agent, by an action brought by a
17 foreign fire insurance board ~~in the name and for the use of the~~
18 ~~municipality or fire protection district as for money had and~~
19 ~~received.~~

20 The foreign fire insurance board ~~municipal comptroller, if~~
21 ~~any, and if not, then the municipal clerk~~ or the secretary of
22 the fire protection district, or the board's or secretary's
23 authorized designee, may examine the books, records, and other
24 papers and documents of a designated agent, corporation,
25 company, or association for the purpose of verifying the
26 correctness of the report of the amounts received for fire

1 insurance.

2 This subsection is ~~section shall not be~~ applicable to
3 receipts from contracts of marine fire insurance, ~~even though~~
4 ~~they include insurance against fire, where the premium for the~~
5 ~~fire insurance is not separately specified.~~

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

9 (c) The regulation of a foreign fire insurance board and
10 its license fees are exclusive powers and functions of the
11 State. A home rule municipality may not regulate a foreign
12 fire insurance board and its license fees. This Section is a
13 denial and limitation of home rule powers and functions under
14 subsection (h) of Section 6 of Article VII of the Illinois
15 Constitution.

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

17 (65 ILCS 5/11-10-2) (from Ch. 24, par. 11-10-2)

18 Sec. 11-10-2. (a) A ~~department~~ foreign fire insurance
19 board shall be created by and among the sworn members of ~~within~~
20 the fire department of each municipality with fewer than
21 500,000 inhabitants that has an organized fire department. The
22 board shall consist of 7 trustees; the fire chief, who shall
23 hold office by virtue of rank, and 6 members, who shall be
24 elected at large by the sworn members of the department. If
25 there is an insufficient number of candidates to fill all

1 these positions, the number of board members may be reduced,
2 but not to fewer than 3 trustees. All sworn members of the
3 department shall be eligible to be elected as officers of the
4 ~~department~~ foreign fire insurance board. The members of this
5 board shall annually elect officers. These officers shall be a
6 chairman, ~~and~~ a treasurer, and any other officers deemed
7 necessary by the board. The members ~~trustees~~ of the ~~department~~
8 foreign fire insurance board shall make all needful rules and
9 regulations with respect to the ~~department~~ foreign fire
10 insurance board and the management of the funds ~~money~~ to be
11 paid ~~appropriated~~ to the board. The foreign fire insurance
12 board may establish, manage, and maintain an account for the
13 holding and expenditure of all funds paid to the board. The
14 foreign fire insurance board may contract for the purchase of
15 goods and services using funds paid to the board. Contracting
16 for services includes, but is not limited to, the procurement
17 and payment of all accounting, legal, collection, or other
18 professional services deemed by the board to be necessary to
19 the execution of its duties under this Division using funds
20 paid to the board. The foreign fire insurance board may sue all
21 parties necessary to enforce its rights under this Section.
22 The officers of the ~~department~~ foreign fire insurance board
23 shall develop and maintain a listing of those items that the
24 board feels are appropriate expenditures under this Act. ~~The~~
25 ~~treasurer of the department foreign fire insurance board shall~~
26 ~~give a sufficient bond to the municipality in which the fire~~

1 ~~department is organized. This bond shall be approved by the~~
2 ~~mayor or president, as the case may be, conditioned upon the~~
3 ~~faithful performance by the treasurer of his or her duties~~
4 ~~under the ordinance and the rules and regulations provided for~~
5 ~~in this section.~~ The treasurer of the ~~department~~ foreign fire
6 insurance board shall receive the funds paid as provided in
7 Section 1 ~~appropriated money~~ and shall pay out the funds ~~money~~
8 upon the order of the ~~department~~ foreign fire insurance board
9 for the maintenance, use, and benefit of the department or as
10 otherwise permitted by this Division. ~~These~~ ~~As part of the~~
11 ~~annual municipal audit, these~~ funds shall be audited to verify
12 that the funds have been expended by that board only for the
13 maintenance, use, and benefit of the department using funds
14 paid to the board. Contracting for services includes, but is
15 not limited to, the procurement and payment of all accounting,
16 legal, collection, or other professional services deemed by
17 the board to be necessary to the execution of its duties under
18 this Division using funds paid to the board.

19 Disputes between a fire chief and the remaining members of
20 a foreign fire insurance board concerning whether any
21 expenditure of funds by the board is for the maintenance, use,
22 or benefit of the department or for any other purpose
23 authorized by this Division shall be resolved through binding
24 arbitration, pursuant to a written arbitration agreement
25 established by the foreign fire insurance board, that is
26 recognized under the Uniform Arbitration Act. Arbitrations

1 held pursuant to a written arbitration agreement are the
2 exclusive remedy available for resolving such disputes.

3 (b) As used in this subsection, "active member" means a
4 member of the Chicago Fire Department who is not receiving a
5 disability pension, retired, or a deferred pensioner of the
6 Firemen's Annuity and Benefit Fund of Chicago.

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

1 days until the term expires, by appointment by majority vote
2 of the members of the board.

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

22 Within 30 days after receipt of any foreign fire insurance
23 proceeds by the City of Chicago, the City of Chicago shall
24 transfer the proceeds to the board by depositing the proceeds
25 into an account determined by the board, except that if the
26 effective date of this amendatory Act of the 100th General

1 Assembly is after July 31, 2018, then the City of Chicago
2 shall, for budget year 2019 only, transfer only 50% of the
3 proceeds to the board. Notwithstanding any other provision of
4 law: 50% of the foreign fire insurance proceeds received by
5 the board shall be used for the maintenance, use, benefit, or
6 enhancement of fire stations or training facilities used by
7 the active members of the fire department; 25% of the foreign
8 fire insurance proceeds received by the board shall be used
9 for the maintenance, use, benefit, or enhancement of emergency
10 response vehicles, tools, and equipment used by the active
11 members of the department; and 25% of the foreign fire
12 insurance proceeds received by the board shall be used for the
13 maintenance and enhancement of the department and for the use
14 and benefit of the active members of the department in a manner
15 otherwise consistent with this subsection. Foreign fire
16 insurance proceeds may not be used to purchase, maintain, or
17 enhance personal property of a member of the department,
18 except for personal property used in the performance of his or
19 her duties or training activities.

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

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

24 (65 ILCS 5/11-10-2.5 new)

25 Sec. 11-10-2.5. Collection of licensing fees. A foreign

1 fire insurance board created under this Division has the sole
2 and exclusive authority to collect all licensing fees required
3 to be paid by foreign fire insurance companies, corporations,
4 associations, or third parties under this Division. This
5 authority includes the right to designate a representative or
6 agent authorized to collect such fees on their behalf.

7 A board created pursuant to subsection (a) of Section 2
8 that does not collect licensing fees on its own accord, or that
9 does not designate an authorized representative or agent to
10 collect the fees on their behalf, shall have all fees
11 collected on its behalf by a statewide organization of
12 municipalities recognized under Section 1-8-1.

13 Licensing fees collected from foreign fire insurance
14 companies, corporations, associations, or third parties under
15 a representative or agent authorized to do so by a foreign fire
16 insurance board or by a statewide organization of
17 municipalities recognized under Section 1-8-1 shall be paid
18 promptly and directly to the treasurer of the foreign fire
19 insurance board, less reasonable costs and expenses associated
20 with the collection of the fees, as agreed to by the board.

21 Section 99. Effective date. This Act takes effect January
22 1, 2023.