



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5050

Introduced 2/8/2024, by Rep. Natalie A. Manley

#### SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-44020  
55 ILCS 5/5-44027 new  
55 ILCS 5/5-44030  
55 ILCS 5/5-44035  
55 ILCS 5/5-44040  
55 ILCS 5/5-44043  
55 ILCS 5/5-44045  
55 ILCS 5/5-44050  
55 ILCS 5/5-44055

Amends the Local Government Reduction and Efficiency Division of the Counties Code. Defines "district" as a township road and bridge district, sanitary district, drainage district, mosquito abatement district, or street light district. Provides that a county board may enact a resolution or ordinance or a county executive may issue an executive order to dissolve a district, but must first adopt or issue a plan that describes how the county will absorb and implement the services provided by the district, that provides a reason to discontinue the services provided, that describes how the county will pay for the transfer of services, and that shows long-term savings for taxpayers and file that plan with the State Comptroller. Provides that the State Comptroller may approve or deny the dissolution of the district based on the contents of the plan. Provides that, if the dissolution and transfer is approved by the State Comptroller, the county board may adopt a resolution or ordinance or a county executive may issue an executive order authorizing the dissolution of the district not less than 60 days following the court's appointment of a trustee-in-dissolution. Includes procedures for the dissolution of the district and designation of individuals to represent the district. Provides that the county must provide quarterly updates to the State Comptroller and that the State Comptroller shall publish those quarterly updates on the State Comptroller's local government Warehouse database. Makes conforming changes in the Division.

LRB103 36381 AWJ 66482 b

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 Counties Code is amended by changing  
5 Sections 5-44020, 5-44030, 5-44035, 5-44040, 5-44043, 5-44045,  
6 5-44050, and 5-44055 and by adding Section 5-44027 as follows:

7 (55 ILCS 5/5-44020)

8 Sec. 5-44020. Definitions. In this Division 5-44:

9 "District" means a township road and bridge district,  
10 sanitary district, drainage district, mosquito abatement  
11 district, or street light district, notwithstanding how a  
12 district's governing board is appointed or elected.

13 "Fire protection jurisdiction" means a fire protection  
14 district, municipal fire department, or service organized  
15 under Section 5-1056.1 of the Counties Code, Sections 195 and  
16 200 of the Township Code, Section 10-2.1 of the Illinois  
17 Municipal Code, or the Illinois Fire Protection District Act.

18 "Governing board" means the individual or individuals who  
19 constitute the corporate authorities of a unit of local  
20 government or district.

21 "Unit of local government" or "unit" means any unit of  
22 local government located entirely within one county, to which  
23 the county board chairman or county executive directly

1 appoints a majority of its governing board with the advice and  
2 consent of the county board, but shall not include a fire  
3 protection district that directly employs any regular  
4 full-time employees, a conservation district organized under  
5 the Conservation District Act, a special district organized  
6 under the Water Commission Act of 1985, a community mental  
7 health board established under the Community Mental Health  
8 Board Act, or a board established under the Community Care for  
9 Persons with Developmental Disabilities Act.

10 (Source: P.A. 99-709, eff. 8-5-16; 100-107, eff. 1-1-18;  
11 100-1129, eff. 1-1-19.)

12 (55 ILCS 5/5-44027 new)

13 Sec. 5-44027. Dissolution of districts.

14 (a) A county board or county executive may dissolve a  
15 district as provided in this Section.

16 (b) Before a county board may enact a resolution or  
17 ordinance or a county executive may issue an executive order  
18 to dissolve a district under this Section, the county board or  
19 county executive must adopt or issue a plan that describes how  
20 the county will absorb and implement the services provided by  
21 the district, that provides a reason to discontinue the  
22 services provided, that describes how the county will pay for  
23 the transfer of services, and that shows long-term savings for  
24 taxpayers. The plan must be filed with the State Comptroller.  
25 The State Comptroller may approve or deny the dissolution of

1 the district based on the contents of the plan.

2 (c) If the dissolution and transfer is approved by the  
3 State Comptroller, the county board may adopt a resolution or  
4 ordinance or a county executive may issue an executive order  
5 authorizing the dissolution of the district not less than 60  
6 days following the court's appointment of a  
7 trustee-in-dissolution as provided in this subsection. Upon  
8 adoption of the resolution or ordinance or the issuance of an  
9 executive order, the chairperson of the county board or county  
10 executive shall petition the circuit court for an order  
11 designating a trustee-in-dissolution for the district,  
12 immediately terminating the terms of the members of the  
13 governing board of the district, and providing for the  
14 compensation of the trustee-in-dissolution, which shall be  
15 paid from the corporate funds of the district.

16 (d) Upon the court's appointment of a  
17 trustee-in-dissolution, and notwithstanding any other  
18 provision of law, the State's attorney, or the State's  
19 attorney's designee, shall become the exclusive legal  
20 representative of the dissolving district. The county  
21 treasurer shall become the treasurer of the district and the  
22 county clerk shall become the secretary of the district.

23 (e) The county must provide quarterly updates to the State  
24 Comptroller, and the State Comptroller shall publish those  
25 quarterly updates on the State Comptroller's local government  
26 Warehouse database.

1 (55 ILCS 5/5-44030)

2 Sec. 5-44030. Trustee-in-dissolution; powers and duties.

3 (a) The trustee-in-dissolution shall have the following  
4 powers and duties:

5 (1) to execute all of the powers and duties of the  
6 previous board;

7 (2) to levy and rebate taxes, subject to the approval  
8 of the county board, for the purpose of paying the debts,  
9 obligations, and liabilities of the unit or district that  
10 are outstanding on the date of the dissolution and the  
11 necessary expenses of closing up the affairs of the  
12 district if these funds are not available from the unit of  
13 local government's or district's general fund;

14 (3) to present, within 30 days of his or her  
15 appointment, a plan for the consolidation and dissolution  
16 of the unit of local government or district to the county  
17 board for its approval. The plan shall identify what  
18 functions, if any, of the unit of local government or  
19 district shall be undertaken by the county upon  
20 dissolution and whether any taxes previously levied for  
21 the provision of these functions shall be maintained;

22 (4) to enter into an intergovernmental agreement with  
23 one or more governmental entities to utilize existing  
24 resources including, but not limited to, labor, materials,  
25 and property, as may be needed to carry out the foregoing

1 duties;

2 (5) to enter into an intergovernmental agreement with  
3 the county to combine or transfer any of the powers,  
4 privileges, functions, or authority of the unit of local  
5 government or district to the county as may be required to  
6 facilitate the transition; and

7 (6) to sell the property of the unit or district and,  
8 in case any excess remains after all liabilities of the  
9 unit or district are paid, the excess shall be transferred  
10 to a special fund created and maintained by the county  
11 treasurer to be expended solely to defer the costs  
12 incurred by the county in performing the duties of the  
13 unit or district, subject to the requirements of Section  
14 5-44035 of this Division. Nothing in this Section shall  
15 prohibit the county from acquiring any or all real or  
16 personal property of the unit or district.

17 (b) For fire protection jurisdictions, the  
18 trustee-in-dissolution shall not have:

19 (1) the powers enumerated in this Section unless the  
20 dissolution of that unit of local government shall not  
21 increase the average response times nor decrease the level  
22 of services provided; and

23 (2) the power to decrease the levy that is in effect on  
24 or before the date of dissolution of the fire protection  
25 jurisdiction that affects the provision of fire and  
26 emergency medical services.

1 (Source: P.A. 98-126, eff. 8-2-13.)

2 (55 ILCS 5/5-44035)

3 Sec. 5-44035. Outstanding indebtedness.

4 (a) In case any unit or district dissolved pursuant to  
5 this Division has bonds or notes outstanding that are a lien on  
6 funds available in the treasury at the time of consolidation,  
7 such lien shall be unimpaired by such dissolution and the lien  
8 shall continue in favor of the bond or note holders. The funds  
9 available subject to such a lien shall be set apart and held  
10 for the purpose of retiring such secured debt and no such funds  
11 shall be transferred into the general funds of the county.

12 (b) In case any unit or district dissolved pursuant to  
13 this Division has unsecured debts outstanding at the time of  
14 dissolution, any funds in the treasury of such unit or  
15 district or otherwise available and not committed shall, to  
16 the extent necessary, be applied to the payment of such debts.

17 (c) All property in the territory served by the dissolved  
18 unit of local government or district shall be subject to  
19 taxation to pay the debts, bonds, and obligations of the  
20 dissolved district. The county board shall abate this taxation  
21 upon the discharge of all outstanding obligations.

22 (Source: P.A. 98-126, eff. 8-2-13.)

23 (55 ILCS 5/5-44040)

24 Sec. 5-44040. Effect of dissolution. Immediately upon the

1 dissolution of a unit of local government or district pursuant  
2 to this Division:

3 (a) Notwithstanding the provisions of the Special Service  
4 Area Tax Law of the Property Tax Code that pertain to the  
5 establishment of special service areas, all or part of the  
6 territory formerly served by the dissolved unit of local  
7 government or district may be established as a special service  
8 area or areas of the county if the county board by resolution  
9 determines that this designation is necessary for it to  
10 provide services. The special service area, if created, shall  
11 include all territory formerly served by the dissolved unit of  
12 local government or district if the dissolved unit or district  
13 has outstanding indebtedness. If the boundaries of a special  
14 service area created under this subsection include territory  
15 within a municipality, the corporate authorities of that  
16 municipality may, with the consent of the county, assume  
17 responsibility for the special service area and become its  
18 governing body.

19 All or part of the territory formerly served by a  
20 dissolved fire protection jurisdiction shall not be  
21 established as a special service area unless the creation of  
22 the special service area does not increase the average  
23 response times nor decrease the level of service provided.

24 (b) In addition to any other powers provided by law, the  
25 governing body of a special service area created pursuant to  
26 this subsection shall assume and is authorized to exercise all



1 the powers and duties of the dissolved unit or district with  
2 respect to the special service area. The governing body is  
3 also authorized to continue to levy any tax previously imposed  
4 by the unit of local government or district within the special  
5 service area. However, the governing board shall not have the  
6 power to decrease the levy that is in effect on or before the  
7 date of dissolution of the fire protection jurisdiction that  
8 affects the provision of fire and emergency medical services.

9 (c) Subsequent increases of the current tax levy within  
10 the special service area or areas shall be made in accordance  
11 with the provisions of the Special Service Area Tax Law of the  
12 Property Tax Code.

13 (Source: P.A. 98-126, eff. 8-2-13.)

14 (55 ILCS 5/5-44043)

15 Sec. 5-44043. Rights and obligations of employees.

16 (a) The status and rights of employees represented by an  
17 exclusive bargaining representative shall not be affected by  
18 the dissolution of a unit of local government or district  
19 under this Division, except that this subsection does not  
20 apply in DuPage, Lake, and McHenry Counties for actions taken  
21 before the effective date of this amendatory Act of the 100th  
22 General Assembly.

23 (b) Obligations of the dissolving unit of local government  
24 or district assumed by the trustee-in-dissolution, county, or  
25 governing body of a special service area include the

1 obligation to honor representation rights under the Illinois  
2 Public Labor Relations Act and any collective bargaining  
3 agreements existing on the date of dissolution of the unit of  
4 local government or district.

5 (c) The rights of employees under any pensions, retirement  
6 plans, or annuity plans existing on the date of dissolution of  
7 the unit of local government or district are not affected by  
8 the dissolution of a unit of local government or district  
9 under this Division.

10 (Source: P.A. 100-107, eff. 1-1-18.)

11 (55 ILCS 5/5-44045)

12 Sec. 5-44045. Abatement of levy. Whenever a county has  
13 dissolved a unit of local government or district pursuant to  
14 this Division, the county or municipality shall, within 6  
15 months of the effective date of the dissolution and every year  
16 thereafter, evaluate the need to continue any existing tax  
17 levy until the county or municipality abates the levy in the  
18 manner set forth by the Special Service Area Tax Law of the  
19 Property Tax Code.

20 (Source: P.A. 98-126, eff. 8-2-13.)

21 (55 ILCS 5/5-44050)

22 Sec. 5-44050. Tax collection and enforcement. The  
23 dissolution of a unit of local government or district pursuant  
24 to this Division shall not adversely affect proceedings for

1 the collection or enforcement of any tax. Those proceedings  
2 shall continue to finality as though no dissolution had taken  
3 place. The proceeds thereof shall be paid over to the  
4 treasurer of the county to be used for the purpose for which  
5 the tax was levied or assessed. Proceedings to collect and  
6 enforce such taxes may be instituted and carried on in the name  
7 of the unit or district.

8 (Source: P.A. 98-126, eff. 8-2-13.)

9 (55 ILCS 5/5-44055)

10 Sec. 5-44055. Litigation. All suits pending in any court  
11 on behalf of or against a unit or district dissolved pursuant  
12 to this Division may be prosecuted or defended in the name of  
13 the county by the State's attorney. All judgments obtained for  
14 a unit or district dissolved pursuant to this Division shall  
15 be collected and enforced by the county for its benefit.

16 (Source: P.A. 98-126, eff. 8-2-13.)