

SB0367



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB0367

Introduced 2/15/2005, by Sen. James A. DeLeo

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 to increase the multiplier used to calculate the maximum allowable pension tax, from 2.00 to 2.26. Effective immediately.

LRB094 09031 AMC 39252 b

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

1 AN ACT in relation to 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 each
19 year thereafter the city council shall levy a tax annually at a
20 rate on the dollar of the assessed valuation of all taxable
21 property that will produce when extended an amount not to
22 exceed the total amount of contributions by the policemen to
23 the Fund made in the calendar year 2 years before the year for
24 which the applicable annual tax is levied, multiplied by 1.40
25 for the tax levy year 1970; by 1.50 for the year 1971; by 1.65
26 for 1972; by 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975
27 through 1981; by 2.00 for 1982 through 2005; and by 2.26 for
28 2006 and each year thereafter.

29 (b) The tax shall be levied and collected in like manner
30 with the general taxes of the city, and is in addition to all
31 other taxes which the city is now or may hereafter be
32 authorized to levy upon all taxable property therein, and is

1 exclusive of and in addition to the amount of tax the city is
2 now or may hereafter be authorized to levy for general purposes
3 under any law which may limit the amount of tax which the city
4 may levy for general purposes. The county clerk of the county
5 in which the city is located, in reducing tax levies under
6 Section 8-3-1 of the Illinois Municipal Code, shall not
7 consider the tax herein authorized as a part of the general tax
8 levy for city purposes, and shall not include the tax in any
9 limitation of the percent of the assessed valuation upon which
10 taxes are required to be extended for the city.

11 (c) On or before January 10 of each year, the board shall
12 notify the city council of the requirement that the tax herein
13 authorized be levied by the city council for that current year.
14 The board shall compute the amounts necessary for the purposes
15 of this fund to be credited to the reserves established and
16 maintained within the fund; shall make an annual determination
17 of the amount of the required city contributions; and shall
18 certify the results thereof to the city council.

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

23 (d) If the funds available are insufficient during any year
24 to meet the requirements of this Article, the city may issue
25 tax anticipation warrants against the tax levy for the current
26 fiscal year.

27 (e) The various sums, including interest, to be contributed
28 by the city, shall be taken from the revenue derived from such
29 tax or otherwise as expressly provided in this Section. Any
30 moneys of the city derived from any source other than the tax
31 herein authorized shall not be used for any purpose of the fund
32 nor the cost of administration thereof, unless applied to make
33 the deposit expressly authorized in this Section or the
34 additional city contributions required under subsection (h).

35 (f) If it is not possible or practicable for the city to
36 make its contributions at the time that salary deductions are

1 made, the city shall make such contributions as soon as
2 possible thereafter, with interest thereon to the time it is
3 made.

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

21 (h) In addition to the contributions required under the
22 other provisions of this Article, by November 1 of the
23 following specified years, the city shall deposit with the city
24 treasurer for the benefit of the fund, to be held and used in
25 accordance with this Article, the following specified amounts:
26 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
27 \$5,040,000 in 2002; and \$4,620,000 in 2003.

28 The additional city contributions required under this
29 subsection are intended to decrease the unfunded liability of
30 the fund and shall not decrease the amount of the city
31 contributions required under the other provisions of this
32 Article. The additional city contributions made under this
33 subsection may be used by the fund for any of its lawful
34 purposes.

35 (Source: P.A. 93-654, eff. 1-16-04.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.