



Personnel and Pensions Committee

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09500SB0719ham001

LRB095 09366 AMC 53456 a

1 AMENDMENT TO SENATE BILL 719

2 AMENDMENT NO. _____. Amend Senate Bill 719 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Section 7-132 as follows:

6 (40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)

7 Sec. 7-132. Municipalities, instrumentalities and
8 participating instrumentalities included and effective dates.

9 (A) Municipalities and their instrumentalities.

10 (a) The following described municipalities, but not
11 including any with more than 1,000,000 inhabitants, and the
12 instrumentalities thereof, shall be included within and be
13 subject to this Article beginning upon the effective dates
14 specified by the Board:

15 (1) Except as to the municipalities and

1 instrumentalities thereof specifically excluded under this
2 Article, every county shall be subject to this Article, and
3 all cities, villages and incorporated towns having a
4 population in excess of 5,000 inhabitants as determined by
5 the last preceding decennial or subsequent federal census,
6 shall be subject to this Article following publication of
7 the census by the Bureau of the Census. Within 90 days
8 after publication of the census, the Board shall notify any
9 municipality that has become subject to this Article as a
10 result of that census, and shall provide information to the
11 corporate authorities of the municipality explaining the
12 duties and consequences of participation. The notification
13 shall also include a proposed date upon which participation
14 by the municipality will commence.

15 However, for any city, village or incorporated town
16 that attains a population over 5,000 inhabitants after
17 having provided social security coverage for its employees
18 under the Social Security Enabling Act, participation
19 under this Article shall not be mandatory but may be
20 elected in accordance with subparagraph (3) or (4) of this
21 paragraph (a), whichever is applicable.

22 (2) School districts, other than those specifically
23 excluded under this Article, shall be subject to this
24 Article, without election, with respect to all employees
25 thereof.

26 (3) Towns and all other bodies politic and corporate

1 which are formed by vote of, or are subject to control by,
2 the electors in towns and are located in towns which are
3 not participating municipalities on the effective date of
4 this Act, may become subject to this Article by election
5 pursuant to Section 7-132.1.

6 (4) Any other municipality (together with its
7 instrumentalities), other than those specifically excluded
8 from participation and those described in paragraph (3)
9 above, may elect to be included either by referendum under
10 Section 7-134 or by the adoption of a resolution or
11 ordinance by its governing body. A copy of such resolution
12 or ordinance duly authenticated and certified by the clerk
13 of the municipality or other appropriate official of its
14 governing body shall constitute the required notice to the
15 board of such action.

16 (b) A municipality that is about to begin participation
17 shall submit to the Board an application to participate, in a
18 form acceptable to the Board, not later than 90 days prior to
19 the proposed effective date of participation. The Board shall
20 act upon the application within 90 days, and if it finds that
21 the application is in conformity with its requirements and the
22 requirements of this Article, participation by the applicant
23 shall commence on a date acceptable to the municipality and
24 specified by the Board, but in no event more than one year from
25 the date of application.

26 (c) A participating municipality which succeeds to the

1 functions of a participating municipality which is dissolved or
2 terminates its existence shall assume and be transferred the
3 net accumulation balance in the municipality reserve and the
4 municipality account receivable balance of the terminated
5 municipality.

6 (d) In the case of a Veterans Assistance Commission whose
7 employees were being treated by the Fund on January 1, 1990 as
8 employees of the county served by the Commission, the Fund may
9 continue to treat the employees of the Veterans Assistance
10 Commission as county employees for the purposes of this
11 Article, unless the Commission becomes a participating
12 instrumentality in accordance with subsection (B) of this
13 Section.

14 (B) Participating instrumentalities.

15 (a) The participating instrumentalities designated in
16 paragraph (b) of this subsection shall be included within and
17 be subject to this Article if:

18 (1) an application to participate, in a form acceptable
19 to the Board and adopted by a two-thirds vote of the
20 governing body, is presented to the Board not later than 90
21 days prior to the proposed effective date; and

22 (2) the Board finds that the application is in
23 conformity with its requirements, that the applicant has
24 reasonable expectation to continue as a political entity
25 for a period of at least 10 years and has the prospective

1 financial capacity to meet its current and future
2 obligations to the Fund, and that the actuarial soundness
3 of the Fund may be reasonably expected to be unimpaired by
4 approval of participation by the applicant.

5 The Board shall notify the applicant of its findings within
6 90 days after receiving the application, and if the Board
7 approves the application, participation by the applicant shall
8 commence on the effective date specified by the Board.

9 (b) The following participating instrumentalities, so long
10 as they meet the requirements of Section 7-108 and the area
11 served by them or within their jurisdiction is not located
12 entirely within a municipality having more than one million
13 inhabitants, may be included hereunder:

14 i. Township School District Trustees.

15 ii. Multiple County and Consolidated Health
16 Departments created under Division 5-25 of the Counties
17 Code or its predecessor law.

18 iii. Public Building Commissions created under the
19 Public Building Commission Act, and located in counties of
20 less than 1,000,000 inhabitants.

21 iv. A multitype, consolidated or cooperative library
22 system created under the Illinois Library System Act. Any
23 library system created under the Illinois Library System
24 Act that has one or more predecessors that participated in
25 the Fund may participate in the Fund upon application. The
26 Board shall establish procedures for implementing the

1 transfer of rights and obligations from the predecessor
2 system to the successor system.

3 v. Regional Planning Commissions created under
4 Division 5-14 of the Counties Code or its predecessor law.

5 vi. Local Public Housing Authorities created under the
6 Housing Authorities Act, located in counties of less than
7 1,000,000 inhabitants.

8 vii. Illinois Municipal League.

9 viii. Northeastern Illinois Metropolitan Area Planning
10 Commission.

11 ix. Southwestern Illinois Metropolitan Area Planning
12 Commission.

13 x. Illinois Association of Park Districts.

14 xi. Illinois Supervisors, County Commissioners and
15 Superintendents of Highways Association.

16 xii. Tri-City Regional Port District.

17 xiii. An association, or not-for-profit corporation,
18 membership in which is authorized under Section 85-15 of
19 the Township Code.

20 xiv. Drainage Districts operating under the Illinois
21 Drainage Code.

22 xv. Local mass transit districts created under the
23 Local Mass Transit District Act.

24 xvi. Soil and water conservation districts created
25 under the Soil and Water Conservation Districts Law.

26 xvii. Commissions created to provide water supply or

1 sewer services or both under Division 135 or Division 136
2 of Article 11 of the Illinois Municipal Code.

3 xviii. Public water districts created under the Public
4 Water District Act.

5 xix. Veterans Assistance Commissions established under
6 Section 9 of the Military Veterans Assistance Act that
7 serve counties with a population of less than 1,000,000.

8 xx. The governing body of an entity, other than a
9 vocational education cooperative, created under an
10 intergovernmental cooperative agreement established
11 between participating municipalities under the
12 Intergovernmental Cooperation Act, which by the terms of
13 the agreement is the employer of the persons performing
14 services under the agreement under the usual common law
15 rules determining the employer-employee relationship. The
16 governing body of such an intergovernmental cooperative
17 entity established prior to July 1, 1988 may make
18 participation retroactive to the effective date of the
19 agreement and, if so, the effective date of participation
20 shall be the date the required application is filed with
21 the fund. If any such entity is unable to pay the required
22 employer contributions to the fund, then the participating
23 municipalities shall make payment of the required
24 contributions and the payments shall be allocated as
25 provided in the agreement or, if not so provided, equally
26 among them.

1 xxi. The Illinois Municipal Electric Agency.

2 xxii. The Waukegan Port District.

3 xxiii. The Fox Waterway Agency created under the Fox
4 Waterway Agency Act.

5 xxiv. The Illinois Municipal Gas Agency.

6 xxv. The Kaskaskia Regional Port District.

7 xxvi. The Southwestern Illinois Development Authority.

8 xxvii. The Cairo Public Utility Company.

9 xxviii. Except with respect to employees who elect to
10 participate in the State Employees' Retirement System of
11 Illinois under Section 14-104.13 of this Code, the Chicago
12 Metropolitan Agency for Planning created under the
13 Regional Planning Act, provided that, with respect to the
14 benefits payable pursuant to Sections 7-146, 7-150, and
15 7-164 and the requirement that eligibility for such
16 benefits is conditional upon satisfying a minimum period of
17 service or a minimum contribution, any employee of the
18 Chicago Metropolitan Agency for Planning that was
19 immediately prior to such employment an employee of the
20 Chicago Area Transportation Study or the Northeastern
21 Illinois Planning Commission, such employee's service at
22 the Chicago Area Transportation Study or the Northeastern
23 Illinois Planning Commission and contributions to the
24 State Employees' Retirement System of Illinois established
25 under Article 14 and the Illinois Municipal Retirement Fund
26 shall count towards the satisfaction of such requirements.

1 xxix. The Will County Governmental League.

2 (c) The governing boards of special education joint
3 agreements created under Section 10-22.31 of the School Code
4 without designation of an administrative district shall be
5 included within and be subject to this Article as participating
6 instrumentalities when the joint agreement becomes effective.
7 However, the governing board of any such special education
8 joint agreement in effect before September 5, 1975 shall not be
9 subject to this Article unless the joint agreement is modified
10 by the school districts to provide that the governing board is
11 subject to this Article, except as otherwise provided by this
12 Section.

13 The governing board of the Special Education District of
14 Lake County shall become subject to this Article as a
15 participating instrumentality on July 1, 1997. Notwithstanding
16 subdivision (a)1 of Section 7-139, on the effective date of
17 participation, employees of the governing board of the Special
18 Education District of Lake County shall receive creditable
19 service for their prior service with that employer, up to a
20 maximum of 5 years, without any employee contribution.
21 Employees may establish creditable service for the remainder of
22 their prior service with that employer, if any, by applying in
23 writing and paying an employee contribution in an amount
24 determined by the Fund, based on the employee contribution
25 rates in effect at the time of application for the creditable
26 service and the employee's salary rate on the effective date of

1 participation for that employer, plus interest at the effective
2 rate from the date of the prior service to the date of payment.
3 Application for this creditable service must be made before
4 July 1, 1998; the payment may be made at any time while the
5 employee is still in service. The employer may elect to make
6 the required contribution on behalf of the employee.

7 The governing board of a special education joint agreement
8 created under Section 10-22.31 of the School Code for which an
9 administrative district has been designated, if there are
10 employees of the cooperative educational entity who are not
11 employees of the administrative district, may elect to
12 participate in the Fund and be included within this Article as
13 a participating instrumentality, subject to such application
14 procedures and rules as the Board may prescribe.

15 The Boards of Control of cooperative or joint educational
16 programs or projects created and administered under Section
17 3-15.14 of the School Code, whether or not the Boards act as
18 their own administrative district, shall be included within and
19 be subject to this Article as participating instrumentalities
20 when the agreement establishing the cooperative or joint
21 educational program or project becomes effective.

22 The governing board of a special education joint agreement
23 entered into after June 30, 1984 and prior to September 17,
24 1985 which provides for representation on the governing board
25 by less than all the participating districts shall be included
26 within and subject to this Article as a participating

1 instrumentality. Such participation shall be effective as of
2 the date the joint agreement becomes effective.

3 The governing boards of educational service centers
4 established under Section 2-3.62 of the School Code shall be
5 included within and subject to this Article as participating
6 instrumentalities. The governing boards of vocational
7 education cooperative agreements created under the
8 Intergovernmental Cooperation Act and approved by the State
9 Board of Education shall be included within and be subject to
10 this Article as participating instrumentalities. If any such
11 governing boards or boards of control are unable to pay the
12 required employer contributions to the fund, then the school
13 districts served by such boards shall make payment of required
14 contributions as provided in Section 7-172. The payments shall
15 be allocated among the several school districts in proportion
16 to the number of students in average daily attendance for the
17 last full school year for each district in relation to the
18 total number of students in average attendance for such period
19 for all districts served. If such educational service centers,
20 vocational education cooperatives or cooperative or joint
21 educational programs or projects created and administered
22 under Section 3-15.14 of the School Code are dissolved, the
23 assets and obligations shall be distributed among the districts
24 in the same proportions unless otherwise provided.

25 (d) The governing boards of special recreation joint
26 agreements created under Section 8-10b of the Park District

1 Code, operating without designation of an administrative
2 district or an administrative municipality appointed to
3 administer the program operating under the authority of such
4 joint agreement shall be included within and be subject to this
5 Article as participating instrumentalities when the joint
6 agreement becomes effective. However, the governing board of
7 any such special recreation joint agreement in effect before
8 January 1, 1980 shall not be subject to this Article unless the
9 joint agreement is modified, by the districts and
10 municipalities which are parties to the agreement, to provide
11 that the governing board is subject to this Article.

12 If the Board returns any employer and employee
13 contributions to any employer which erroneously submitted such
14 contributions on behalf of a special recreation joint
15 agreement, the Board shall include interest computed from the
16 end of each year to the date of payment, not compounded, at the
17 rate of 7% per annum.

18 (e) Each multi-township assessment district, the board of
19 trustees of which has adopted this Article by ordinance prior
20 to April 1, 1982, shall be a participating instrumentality
21 included within and subject to this Article effective December
22 1, 1981. The contributions required under Section 7-172 shall
23 be included in the budget prepared under and allocated in
24 accordance with Section 2-30 of the Property Tax Code.

25 (f) The Illinois Medical District Commission created under
26 the Illinois Medical District Act may be included within and

1 subject to this Article as a participating instrumentality,
2 notwithstanding that the location of the District is entirely
3 within the City of Chicago. To become a participating
4 instrumentality, the Commission must apply to the Board in the
5 manner set forth in paragraph (a) of this subsection (B). If
6 the Board approves the application, under the criteria and
7 procedures set forth in paragraph (a) and any other applicable
8 rules, criteria, and procedures of the Board, participation by
9 the Commission shall commence on the effective date specified
10 by the Board.

11 (C) Prospective participants.

12 Beginning January 1, 1992, each prospective participating
13 municipality or participating instrumentality shall pay to the
14 Fund the cost, as determined by the Board, of a study prepared
15 by the Fund or its actuary, detailing the prospective costs of
16 participation in the Fund to be expected by the municipality or
17 instrumentality.

18 (Source: P.A. 94-1046, eff. 7-24-06; 95-677, eff. 10-11-07.)

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