



## 96TH GENERAL ASSEMBLY

### State of Illinois

### 2009 and 2010

#### HB4792

Introduced 1/12/2010, by Rep. Michael J. Zalewski

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/11-169

from Ch. 108 1/2, par. 11-169

30 ILCS 805/8.34 new

Amends the Chicago Laborers Article of the Illinois Pension Code. Provides that the city shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue of all taxable property within the city for the year 2010 and each year thereafter, that will produce, when extended, an amount equal to or greater than the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.00. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 15807 AMC 31048 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning 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 11-169 as follows:

6 (40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)  
7 Sec. 11-169. Financing; tax levy.

8 (a) Except as provided in subsection (f) of this Section,  
9 the city council of the city shall levy a tax annually upon all  
10 taxable property in the city at the rate that will produce a  
11 sum which, when added to the amounts deducted from the salaries  
12 of the employees or otherwise contributed by them and the  
13 amounts deposited under subsection (f), will be sufficient for  
14 the requirements of this Article. For the years prior to the  
15 year 1950 the tax rate shall be as provided for under "The 1935  
16 Act". Beginning with the year 1950 to and including the year  
17 1969 such tax shall be not more than .036% annually of the  
18 value, as equalized or assessed by the Department of Revenue,  
19 of all taxable property within such city. Beginning with the  
20 year 1970 and each year thereafter the city shall levy a tax  
21 annually at a rate on the dollar of the value, as equalized or  
22 assessed by the Department of Revenue of all taxable property  
23 within such city that will produce, when extended, not to

1 exceed an amount equal to the total amount of contributions by  
2 the employees to the fund made in the calendar year 2 years  
3 prior to the year for which the annual applicable tax is  
4 levied, multiplied by 1.1 for the years 1970, 1971 and 1972;  
5 1.145 for the year 1973; 1.19 for the year 1974; 1.235 for the  
6 year 1975; 1.280 for the year 1976; 1.325 for the year 1977;  
7 1.370 for the years 1978 through 1998; and 1.000 for the years  
8 year 1999 through 2009; and for the year 2010 and each year  
9 thereafter, such levy as will produce, when extended, an amount  
10 equal to or greater than the total amount of contributions made  
11 by or on behalf of employees to the Fund for annuity purposes  
12 in the calendar year 2 years prior to the year for which the  
13 annual applicable tax is levied, multiplied by 1.00 ~~and for~~  
14 ~~each year thereafter.~~

15 The tax shall be levied and collected in like manner with  
16 the general taxes of the city, and shall be exclusive of and in  
17 addition to the amount of tax the city is now or may hereafter  
18 be authorized to levy for general purposes under any laws which  
19 may limit the amount of tax which the city may levy for general  
20 purposes. The county clerk of the county in which the city is  
21 located, in reducing tax levies under the provisions of any Act  
22 concerning the levy and extension of taxes, shall not consider  
23 the tax herein provided for as a part of the general tax levy  
24 for city purposes, and shall not include the same within any  
25 limitation of the per cent of the assessed valuation upon which  
26 taxes are required to be extended for such city.

1 Revenues derived from such tax shall be paid to the city  
2 treasurer of the city as collected and held by him for the  
3 benefit of the fund.

4 If the payments on account of taxes are insufficient during  
5 any year to meet the requirements of this Article, the city may  
6 issue tax anticipation warrants against the current tax levy.

7 (b) On or before January 10, annually, the board shall  
8 notify the city council of the requirement of this Article that  
9 the tax herein provided shall be levied for that current year.  
10 The board shall compute the amounts necessary for the purposes  
11 of this fund to be credited to the reserves established and  
12 maintained as herein provided, and shall make an annual  
13 determination of the amount of the required city contributions;  
14 and certify the results thereof to the city council.

15 (c) In respect to employees of the city who are transferred  
16 to the employment of a park district by virtue of "Exchange of  
17 Functions Act of 1957" the corporate authorities of the park  
18 district shall annually levy a tax upon all the taxable  
19 property in the park district at such rate per cent of the  
20 value of such property, as equalized or assessed by the  
21 Department of Revenue, as shall be sufficient, when added to  
22 the amounts deducted from their salaries and otherwise  
23 contributed by them, to provide the benefits to which they and  
24 their dependents and beneficiaries are entitled under this  
25 Article. The city shall not levy a tax hereunder in respect to  
26 such employees.

1           The tax so levied by the park district shall be in addition  
2 to and exclusive of all other taxes authorized to be levied by  
3 the park district for corporate, annuity fund, or other  
4 purposes. The county clerk of the county in which the park  
5 district is located, in reducing any tax levied under the  
6 provisions of any Act concerning the levy and extension of  
7 taxes shall not consider such tax as part of the general tax  
8 levy for park purposes, and shall not include the same in any  
9 limitation of the per cent of the assessed valuation upon which  
10 taxes are required to be extended for the park district. The  
11 proceeds of the tax levied by the park district, upon receipt  
12 by the district, shall be immediately paid over to the city  
13 treasurer of the city for the uses and purposes of the fund.

14           The various sums to be contributed by the city and  
15 allocated for the purposes of this Article, and any interest to  
16 be contributed by the city, shall be taken from the revenue  
17 derived from the taxes authorized in this Section, and no money  
18 of such city derived from any source other than the levy and  
19 collection of those taxes or the sale of tax anticipation  
20 warrants in accordance with the provisions of this Article  
21 shall be used to provide revenue for this Article, except as  
22 expressly provided in this Section.

23           If it is not possible for the city to make contributions  
24 for age and service annuity and widow's annuity concurrently  
25 with the employee's contributions made for such purposes, such  
26 city shall make such contributions as soon as possible and

1 practicable thereafter with interest thereon at the effective  
2 rate to the time they shall be made.

3 (d) With respect to employees whose wages are funded as  
4 participants under the Comprehensive Employment and Training  
5 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.  
6 93-567, 88 Stat. 1845), hereinafter referred to as CETA,  
7 subsequent to October 1, 1978, and in instances where the board  
8 has elected to establish a manpower program reserve, the board  
9 shall compute the amounts necessary to be credited to the  
10 manpower program reserves established and maintained as herein  
11 provided, and shall make a periodic determination of the amount  
12 of required contributions from the City to the reserve to be  
13 reimbursed by the federal government in accordance with rules  
14 and regulations established by the Secretary of the United  
15 States Department of Labor or his designee, and certify the  
16 results thereof to the City Council. Any such amounts shall  
17 become a credit to the City and will be used to reduce the  
18 amount which the City would otherwise contribute during  
19 succeeding years for all employees.

20 (e) In lieu of establishing a manpower program reserve with  
21 respect to employees whose wages are funded as participants  
22 under the Comprehensive Employment and Training Act of 1973, as  
23 authorized by subsection (d), the board may elect to establish  
24 a special municipality contribution rate for all such  
25 employees. If this option is elected, the City shall contribute  
26 to the Fund from federal funds provided under the Comprehensive

1 Employment and Training Act program at the special rate so  
2 established and such contributions shall become a credit to the  
3 City and be used to reduce the amount which the City would  
4 otherwise contribute during succeeding years for all  
5 employees.

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

23 (Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

24 Section 90. The State Mandates Act is amended by adding  
25 Section 8.34 as follows:

1 (30 ILCS 805/8.34 new)

2 Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8  
3 of this Act, no reimbursement by the State is required for the  
4 implementation of any mandate created by this amendatory Act of  
5 the 96th General Assembly.

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.