

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 3-145 as follows:

6 (40 ILCS 5/3-145) (from Ch. 108 1/2, par. 3-145)

7 Sec. 3-145. Referendum in municipalities less than 5,000.

8 (a) This Article shall not be effective in any municipality  
9 having a population of less than 5,000 unless the proposition  
10 to adopt the Article is submitted to and approved by the voters  
11 of the municipality in the manner herein provided.

12 Whenever the electors of the municipality, equal in number  
13 to 5% of the number of legal votes cast at the last preceding  
14 general municipal election, petition the city, village or town  
15 clerk to submit the proposition whether that municipality shall  
16 adopt this Article, the officer to whom the petition is  
17 addressed shall certify the proposition to the proper election  
18 officials who shall submit the proposition in accordance with  
19 the general election law at a regular election in the  
20 municipality provided that notice of the referendum, if held  
21 before July 1, 1999, has been given in accordance with the  
22 provisions of Section 12-5 of the Election Code in effect at  
23 the time of the bond referendum, at least 10 and not more than

1 45 days before the date of the election, notwithstanding the  
 2 time for publication otherwise imposed by Section 12-5. Notices  
 3 required in connection with the submission of public questions  
 4 on or after July 1, 1999 shall be as set forth in Section 12-5  
 5 of the Election Code. If the proposition is not adopted at that  
 6 election, it may be submitted in like manner at any regular  
 7 election thereafter. The proposition shall be substantially in  
 8 the following form:

9 -----

10 Shall the city (or village or  
 11 incorporated town) of.... adopt YES  
 12 Article 3 of the "Illinois Pension -----  
 13 Code", pertaining to the creation NO  
 14 of a police pension fund?

15 -----

16 If a majority of the votes cast on the proposition is for the  
 17 proposition, this Article is adopted in that municipality.

18 (b) For a period of 60 days after the effective date of  
 19 this amendatory Act of the 96th General Assembly, if a  
 20 municipality having a population of less than 5,000 has adopted  
 21 this Article in accordance with the provisions of subsection  
 22 (a), the municipality may elect to terminate participation  
 23 under this Article if all of the following conditions are met:

24 (1) An independent auditor certifies that the fund  
 25 created under this Article has no liabilities and there are  
 26 no members or participants in the fund and no beneficiaries

1 entitled to benefits under the fund.

2 (2) The corporate authorities of the municipality, by  
3 ordinance, approve the closing of the fund.

4 If the conditions of this subsection (b) are met and the  
5 closed fund contains assets, those assets shall be transferred  
6 to the municipality for its general corporate purposes.

7 If a municipality that terminates participation under this  
8 Article in accordance with this subsection (b) wants to  
9 reinstate the fund, then the proposition to re-adopt the  
10 Article must be submitted to and approved by the voters of the  
11 municipality in the manner provided in subsection (a).

12 (Source: P.A. 90-812, eff. 1-26-99; 91-57, eff. 6-30-99.)

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.