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97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1582

Introduced 2/9/2011, by Sen. Mike Jacobs

SYNOPSIS AS INTRODUCED:

40 ILCS 5/9-169	from Ch. 108 1/2, par. 9-169
40 ILCS 5/10-107	from Ch. 108 1/2, par. 10-107
30 ILCS 805/8.35 new	

Amends the Cook County and Cook County Forest Preserve Articles of the Illinois Pension Code. Provides that the multiplier for the years 2013 through 2015 is 2.25 and for the years 2016 through 2019 is 3.00. Provides that, beginning with the year 2020 and each year thereafter, the county and forest preserve district shall levy a tax annually upon all taxable property within the district at a rate that will produce a sum that, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them and revenues from other sources, will equal a sum sufficient to meet the annual actuarial requirements of the pension fund as determined by a qualified actuary retained by the pension fund. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

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FISCAL NOTE ACT MAY APPLY	PENSION IMPACT NOTE ACT MAY APPLY	STATE MANDATES ACT MAY REQUIRE REIMBURSEMENT

A BILL FOR

AN ACT concerning public employee benefits.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Pension Code is amended by changing Sections 9-169 and 10-107 as follows:

(40 ILCS 5/9-169) (from Ch. 108 1/2, par. 9-169)

Sec. 9-169. Financing - Tax levy.

(a) The county board shall levy a tax annually upon all taxable property in the county at the rate that will produce a sum which, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them is sufficient for the requirements of this Article.

For the years before 1962 the tax rate shall be as provided in "The 1925 Act". For the years 1962 and 1963 the tax rate shall be not more than .0200 per cent; for the years 1964 and 1965 the tax rate shall be not more than .0202 per cent; for the years 1966 and 1967 the tax rate shall be not more than .0207 per cent; for the year 1968 the tax rate shall be not more than .0220 per cent; for the year 1969 the tax rate shall be not more than .0233 per cent; for the year 1970 the tax rate shall be not more than .0255 per cent; for the year 1971 the tax rate shall be not more than .0268 per cent of the value, as equalized or assessed by the Department of Revenue upon all taxable property in the county. Beginning with the year 1972 and for each year thereafter the county 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 county that will produce, when extended, not to exceed an amount equal to the total amount of contributions made by the employees to the fund in the calendar year 2 years prior to the year for which the annual applicable tax is levied multiplied by .8 for the years 1972 through 1976; by .8 for the year 1977; by .87 for the year 1978; by .94 for the year 1979; by 1.02 for the year 1980 and by 1.10 for the year 1981 and by 1.18 for the year 1982 and by 1.36 for the year 1983 and by 1.54 for the years ~~year~~ 1984 through 2012 and by 2.25 for the years 2013 through 2015 and by 3.00 for the years 2016 through 2019. Beginning in the year 2020 and for each year thereafter, the county shall levy a tax annually upon all taxable property within the county at a rate that will produce a sum that, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them and revenues from other sources, will equal a sum sufficient to meet the annual actuarial requirements of the pension fund as determined by a qualified actuary retained by the pension fund. For the purposes of this subsection (a), the annual actuarial requirements of the pension fund are equal to (1) the employer's normal cost of the pension fund, plus (2) the annual amount necessary to amortize the fund's unfunded accrued liabilities over a period of 30 years from the effective date of the evaluation.

This tax shall be levied and collected in like manner with the general taxes of the county, and shall be in addition to all other taxes which the county is authorized to levy upon the aggregate valuation of all taxable property within the county and shall be exclusive of and in addition to the amount of tax the county is authorized to levy for general purposes under any laws which may limit the amount of tax which the county may levy for general purposes. The county clerk, in reducing tax levies under any Act concerning the levy and extension of taxes, shall not consider this tax as a part of the general tax levy for county purposes, and shall not include it within any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for the county. It is lawful to extend this tax in addition to the general county rate fixed by statute, without being authorized as additional by a vote of the people of the county.

Revenues derived from this tax shall be paid to the treasurer of the county and held by him for the benefit of the fund.

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

(b) By January 10, annually, the board shall notify the county board of the requirement of this Article that this tax shall be levied. The board shall make an annual determination of the required county contributions, and shall certify the results thereof to the county board.

(c) The various sums to be contributed by the county board and allocated for the purposes of this Article and any interest to be contributed by the county shall be taken from the revenue derived from this tax and no money of the county derived from any source other than the levy and collection of this tax or the sale of tax anticipation warrants, except state or federal funds contributed for annuity and benefit purposes for employees of a county department of public aid under "The Illinois Public Aid Code", approved April 11, 1967, as now or hereafter amended, may be used to provide revenue for the fund.

If it is not possible or practicable for the county to make contributions for age and service annuity and widow's annuity concurrently with the employee contributions made for such purposes, such county shall make such contributions as soon as possible and practicable thereafter with interest thereon at the effective rate until the time it shall be made.

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

(e) In lieu of establishing a manpower program reserve with respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as authorized by subsection (d), the board may elect to establish a special County contribution rate for all such employees. If this option is elected, the County shall contribute to the Fund from federal funds provided under the Comprehensive Employment and Training Act program at the special rate so established and such contributions shall become a credit to the County and be used to reduce the amount which the County would otherwise contribute during succeeding years for all employees.

(Source: P.A. 95-369, eff. 8-23-07.)

(40 ILCS 5/10-107) (from Ch. 108 1/2, par. 10-107)

Sec. 10-107. Financing - Tax levy. The forest preserve district may levy an annual tax on the value, as equalized or assessed by the Department of Revenue, of all taxable property in the district for the purpose of providing revenue for the fund. The rate of such tax in any year may not exceed the rate herein specified for that year or the rate which will produce, when extended, the sum herein stated for that year, whichever is higher: for any year prior to 1970, .00103% or $195,000; for the year 1970, .00111% or $210,000; for the year 1971, .00116% or $220,000. For the year 1972 and each year thereafter, the Forest Preserve District shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue upon all taxable property in the county, when extended, not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.25 for the year 1972; and by 1.30 for the years ~~year~~ 1973 through 2012 and by 2.25 for the years 2013 through 2015 and by 3.00 for the years 2016 through 2019. Beginning in the year 2020 and for each year thereafter, the forest preserve district shall levy a tax annually upon all taxable property within the district at a rate that will produce a sum that, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them, and revenues from other sources, will equal a sum sufficient to meet the annual actuarial requirements of the pension fund as determined by a qualified

<u>actuary retained by the pension fund. For the purposes of this Section, the annual actuarial requirements of the pension fund are equal to (1) the employer's normal cost of the pension fund, plus (2) the annual amount necessary to amortize the fund's unfunded accrued liabilities over a period of 30 years from the effective date of the evaluation</u>.

The tax shall be levied and collected in like manner with the general taxes of the district and shall be in addition to the maximum of all other tax rates which the district may levy upon the aggregate valuation of all taxable property and shall be exclusive of and in addition to the maximum amount and rate of taxes the district may levy for general purposes or under and by virtue of any laws which limit the amount of tax which the district may levy for general purposes. The county clerk of the county in which the forest preserve district is located in reducing tax levies under the provisions of "An Act concerning the levy and extension of taxes", approved May 9, 1901, as amended, shall not consider any such tax as a part of the general tax levy for forest preserve purposes, and shall not include the same in the limitation of 1% of the assessed valuation upon which taxes are required to be extended, and shall not reduce the same under the provisions of that Act. The proceeds of the tax herein authorized shall be kept as a separate fund.

The Board may establish a manpower program reserve, or a special forest preserve district contribution rate, with

respect to employees whose wages are funded as program participants under the Comprehensive Employment and Training Act of 1973 in the manner provided in subsection (d) or (e), respectively, of Section 9-169.
(Source: P.A. 81-1509.)

Section 90. The State Mandates Act is amended by adding Section 8.35 as follows:

(30 ILCS 805/8.35 new)

Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 97th General Assembly.

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