



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4640

by Rep. Robert W. Pritchard

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-103	from Ch. 108 1/2, par. 3-103
40 ILCS 5/3-145	from Ch. 108 1/2, par. 3-145
40 ILCS 5/4-103	from Ch. 108 1/2, par. 4-103
40 ILCS 5/4-141	from Ch. 108 1/2, par. 4-141

Amends the Downstate Police and Downstate Firefighter Articles of the Illinois Pension Code. In the definition of "municipality", increases the threshold for mandatory creation of a pension fund from 5,000 to 10,000 inhabitants. Provides that any city, village or incorporated town of 5,000 or more but less than 10,000 inhabitants that has not established a pension fund may elect to do so by ordinance or referendum. Effective immediately.

LRB099 20062 EFG 44474 b

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

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 Sections 3-103, 3-145, 4-103, and 4-141 as follows:

6 (40 ILCS 5/3-103) (from Ch. 108 1/2, par. 3-103)

7 Sec. 3-103. Municipality. "Municipality": (1) Any city,
8 village or incorporated town of 10,000 ~~5,000~~ or more but less
9 than 500,000 inhabitants, as determined from the United States
10 Government statistics or a census taken at any time by the
11 city, village or incorporated town; ~~and~~ (2) any city, village
12 or incorporated town of 5,000 or more but less than 10,000
13 inhabitants that has established a pension fund under this
14 Article on or before the effective date of this amendatory Act
15 of the 99th General Assembly or elects, by ordinance, to adopt
16 this Article after that effective date; and (3) any city,
17 village or incorporated town of less than 10,000 ~~5,000~~
18 inhabitants which, by referendum held under Section 3-145,
19 adopts this Article.

20 (Source: P.A. 83-1440.)

21 (40 ILCS 5/3-145) (from Ch. 108 1/2, par. 3-145)

22 Sec. 3-145. Referendum in municipalities less than 10,000

1 ~~5,000.~~

2 (a) As used in this Section, the term "municipality" means
3 any city, village, or incorporated town in Illinois,
4 notwithstanding Section 3-103 of this Article.

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

10 Whenever the electors of the municipality, equal in number
11 to 5% of the number of legal votes cast at the last preceding
12 general municipal election, petition the city, village or town
13 clerk to submit the proposition whether that municipality shall
14 adopt this Article, the officer to whom the petition is
15 addressed shall certify the proposition to the proper election
16 officials who shall submit the proposition in accordance with
17 the general election law at a regular election in the
18 municipality provided that notice of the referendum, if held
19 before July 1, 1999, has been given in accordance with the
20 provisions of Section 12-5 of the Election Code in effect at
21 the time of the bond referendum, at least 10 and not more than
22 45 days before the date of the election, notwithstanding the
23 time for publication otherwise imposed by Section 12-5. Notices
24 required in connection with the submission of public questions
25 on or after July 1, 1999 shall be as set forth in Section 12-5
26 of the Election Code. If the proposition is not adopted at that

1 election, it may be submitted in like manner at any regular
2 election thereafter. The proposition shall be substantially in
3 the following form:

4 -----

5	Shall the city (or village or	
6	incorporated town) of.... adopt	YES
7	Article 3 of the "Illinois Pension	-----
8	Code", pertaining to the creation	NO
9	of a police pension fund?	

10 -----

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

13 (b) For a period of 60 days after August 10, 2009 (the
14 effective date of Public Act 96-216) ~~this amendatory Act of the~~
15 ~~96th General Assembly~~, if a municipality having a population of
16 less than 5,000 has adopted this Article in accordance with the
17 provisions of subsection (a), the municipality may elect to
18 terminate participation under this Article if all of the
19 following conditions are met:

20 (1) An independent auditor certifies that the fund
21 created under this Article has no liabilities and there are
22 no members or participants in the fund and no beneficiaries
23 entitled to benefits under the fund.

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

26 If the conditions of this subsection (b) are met and the

1 closed fund contains assets, those assets shall be transferred
2 to the municipality for its general corporate purposes.

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

8 (Source: P.A. 96-216, eff. 8-10-09.)

9 (40 ILCS 5/4-103) (from Ch. 108 1/2, par. 4-103)

10 Sec. 4-103. Municipality. "Municipality": (1) Any city,
11 township, village or incorporated town of 10,000 ~~5,000~~ or more
12 but less than 500,000 inhabitants, and any fire protection
13 district having any full-time paid firefighters; ~~and~~ (2) any
14 city, village or incorporated town of 5,000 or more but less
15 than 10,000 inhabitants that has established a pension fund
16 under this Article on or before the effective date of this
17 amendatory Act of the 99th General Assembly or elects, by
18 ordinance, to adopt this Article after that effective date; and
19 (3) any city, village, incorporated town or township of less
20 than 10,000 ~~5,000~~ inhabitants having a full-time paid fire
21 department which adopts the provisions of this article pursuant
22 to the provisions of Section 4-141.

23 The term "city council" or "board of trustees" includes the
24 board of trustees of a fire protection district and the board
25 of town trustees or other persons empowered to draft the

1 tentative budget and appropriation ordinance and the electors
2 of such a township acting at the annual or special meeting of
3 town electors.

4 (Source: P.A. 83-1440.)

5 (40 ILCS 5/4-141) (from Ch. 108 1/2, par. 4-141)

6 Sec. 4-141. Referendum in municipalities less than 10,000
7 ~~5,000~~.

8 (a) As used in this Section, the term "municipality" means
9 any city, village, or incorporated town in Illinois,
10 notwithstanding Section 4-103 of this Article.

11 (b) This Article shall become effective in any municipality
12 having a population of less than 10,000 ~~5,000~~, population if
13 the proposition to adopt the Article is submitted to and
14 approved by the voters of the municipality in the manner herein
15 provided.

16 (c) Whenever the electors of the municipality equal in
17 number to 5% of the number of legal votes cast at the last
18 preceding general municipal election for mayor or president, as
19 the case may be, petition the corporate authorities of the
20 municipality to submit the proposition whether that
21 municipality shall adopt this Article, the municipal clerk
22 shall certify the proposition to the proper election official
23 who shall submit it to the electors in accordance with the
24 general election law at the next succeeding regular election in
25 the municipality. If the proposition is not adopted at that

1 election, it may be submitted in like manner at any regular
2 election thereafter.

3 The proposition shall be substantially in the following
4 form:

5 -----

6 Shall the city (or village or
7 incorporated town as the case may be) YES

8 of.... adopt Article 4 of the
9 "Illinois Pension Code",

10 providing for a Firefighters' NO

11 Pension Fund and the levying
12 of an annual tax therefor?

13 -----

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

16 (Source: P.A. 83-1440.)

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