

1 AMENDMENT TO SENATE BILL 1930

2 AMENDMENT NO. _____. Amend Senate Bill 1930 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Local Governmental and Governmental
5 Employees Tort Immunity Act is amended by changing 9-107 as
6 follows:

7 (745 ILCS 10/9-107) (from Ch. 85, par. 9-107)

8 Sec. 9-107. Policy; tax levy.

9 (a) The General Assembly finds that the purpose of this
10 Section is to provide an extraordinary tax for funding
11 expenses relating to tort liability, insurance, and risk
12 management programs. Thus, the tax has been excluded from
13 various limitations otherwise applicable to tax levies.
14 Notwithstanding the extraordinary nature of the tax
15 authorized by this Section, however, it has become apparent
16 that some units of local government are using the tax revenue
17 to fund expenses more properly paid from general operating
18 funds. These uses of the revenue are inconsistent with the
19 limited purpose of the tax authorization.

20 Therefore, the General Assembly declares, as a matter of
21 policy, that (i) the use of the tax revenue authorized by
22 this Section for purposes not expressly authorized under this

1 Act is improper and (ii) the provisions of this Section shall
2 be strictly construed consistent with this declaration and
3 the Act's express purposes.

4 (b) A local public entity may annually levy or have
5 levied on its behalf taxes upon all taxable property within
6 its territory at a rate that will produce a sum that will be
7 sufficient to: (i) pay the cost of insurance, individual or
8 joint self-insurance (including reserves thereon), including
9 all operating and administrative costs and expenses directly
10 associated therewith, claims services and risk management
11 directly attributable to loss prevention and loss reduction,
12 legal services directly attributable to the insurance,
13 self-insurance, or joint self-insurance program, and
14 educational, inspectional, and supervisory services directly
15 relating to loss prevention and loss reduction, participation
16 in a reciprocal insurer as provided in Sections 72, 76, and
17 81 of the Illinois Insurance Code, or participation in a
18 reciprocal insurer, all as provided in settlements or
19 judgments under Section 9-102, including all costs and
20 reserves directly attributable to being a member of an
21 insurance pool, under Section 9-103; (ii) pay the costs of
22 and principal and interest on bonds issued under Section
23 9-105; (iii) pay judgments and settlements under Section
24 9-104; and (iv) discharge obligations under Section 34-18.1
25 of The School Code, as now or hereafter amended, and to pay
26 the cost of risk management programs. Provided it complies
27 with any other applicable statutory requirements, the local
28 public entity may self-insure and establish reserves for
29 expected losses for any property damage or for any liability
30 or loss for which the local public entity is authorized to
31 levy or have levied on its behalf taxes for the purchase of
32 insurance or the payment of judgments or settlements under
33 this Section. The decision of the board to establish a
34 reserve shall be based on reasonable actuarial or insurance

1 underwriting evidence and subject to the limits and reporting
2 provisions in Section 9-103.

3 If a school district was a member of a
4 joint-self-health-insurance cooperative that had more
5 liability in outstanding claims than revenue to pay those
6 claims, the school board of that district may by resolution
7 make a one-time transfer from the Tort Immunity Fund to the
8 Education Fund of an amount not to exceed the amount of the
9 liability claim that the school district owes to the
10 joint-self-health-insurance cooperative.

11 Funds raised pursuant to this Section shall only be used
12 for the purposes specified in this Act, including protection
13 against and reduction of any liability or loss described
14 hereinabove and under Federal or State common or statutory
15 law, the Workers' Compensation Act, the Workers' Occupational
16 Diseases Act and the Unemployment Insurance Act. Funds
17 raised pursuant to this Section may be invested in any manner
18 in which other funds of local public entities may be invested
19 under Section 2 of the Public Funds Investment Act. Interest
20 on such funds shall be used only for purposes for which the
21 funds can be used or, if surplus, must be used for abatement
22 of property taxes levied by the local taxing entity.

23 A local public entity may enter into intergovernmental
24 contracts with a term of not to exceed 12 years for the
25 provision of joint self-insurance which contracts may include
26 an obligation to pay a proportional share of a general
27 obligation or revenue bond or other debt instrument issued by
28 a local public entity which is a party to the
29 intergovernmental contract and is authorized by the terms of
30 the contract to issue the bond or other debt instrument.
31 Funds due under such contracts shall not be considered debt
32 under any constitutional or statutory limitation and the
33 local public entity may levy or have levied on its behalf
34 taxes to pay for its proportional share under the contract.

1 Funds raised pursuant to intergovernmental contracts for the
2 provision of joint self-insurance may only be used for the
3 payment of any cost, liability or loss against which a local
4 public entity may protect itself or self-insure pursuant to
5 Section 9-103 or for the payment of which such entity may
6 levy a tax pursuant to this Section, including tort judgments
7 or settlements, costs associated with the issuance,
8 retirement or refinancing of the bonds or other debt
9 instruments, the repayment of the principal or interest of
10 the bonds or other debt instruments, the costs of the
11 administration of the joint self-insurance fund, consultant,
12 and risk care management programs or the costs of insurance.
13 Any surplus returned to the local public entity under the
14 terms of the intergovernmental contract shall be used only
15 for purposes set forth in subsection (a) of Section 9-103 and
16 Section 9-107 or for abatement of property taxes levied by
17 the local taxing entity.

18 Any tax levied under this Section shall be levied and
19 collected in like manner with the general taxes of the entity
20 and shall be exclusive of and in addition to the amount of
21 tax that entity is now or may hereafter be authorized to levy
22 for general purposes under any statute which may limit the
23 amount of tax which that entity may levy for general
24 purposes. The county clerk of the county in which any part of
25 the territory of the local taxing entity is located, in
26 reducing tax levies under the provisions of any Act
27 concerning the levy and extension of taxes, shall not
28 consider any tax provided for by this Section as a part of
29 the general tax levy for the purposes of the entity nor
30 include such tax within any limitation of the percent of the
31 assessed valuation upon which taxes are required to be
32 extended for such entity.

33 With respect to taxes levied under this Section, either
34 before, on, or after the effective date of this amendatory

1 Act of 1994:

2 (1) Those taxes are excepted from and shall not be
3 included within the rate limitation imposed by law on
4 taxes levied for general corporate purposes by the local
5 public entity authorized to levy a tax under this
6 Section.

7 (2) Those taxes that a local public entity has
8 levied in reliance on this Section and that are excepted
9 under paragraph (1) from the rate limitation imposed by
10 law on taxes levied for general corporate purposes by the
11 local public entity are not invalid because of any
12 provision of the law authorizing the local public
13 entity's tax levy for general corporate purposes that may
14 be construed or may have been construed to restrict or
15 limit those taxes levied, and those taxes are hereby
16 validated. This validation of taxes levied applies to all
17 cases pending on or after the effective date of this
18 amendatory Act of 1994.

19 (3) Paragraphs (1) and (2) do not apply to a
20 hospital organized under Article 170 or 175 of the
21 Township Code, under the Town Hospital Act, or under the
22 Township Non-Sectarian Hospital Act and do not give any
23 authority to levy taxes on behalf of such a hospital in
24 excess of the rate limitation imposed by law on taxes
25 levied for general corporate purposes. A hospital
26 organized under Article 170 or 175 of the Township Code,
27 under the Town Hospital Act, or under the Township
28 Non-Sectarian Hospital Act is not prohibited from levying
29 taxes in support of tort liability bonds if the taxes do
30 not cause the hospital's aggregate tax rate from
31 exceeding the rate limitation imposed by law on taxes
32 levied for general corporate purposes.

33 Revenues derived from such tax shall be paid to the
34 treasurer of the local taxing entity as collected and used

1 for the purposes of this Section and of Section 9-102,
2 9-103, 9-104 or 9-105, as the case may be. If payments on
3 account of such taxes are insufficient during any year to
4 meet such purposes, the entity may issue tax anticipation
5 warrants against the current tax levy in the manner provided
6 by statute.

7 (Source: P.A. 91-628, eff. 1-1-00.)

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