

AN ACT concerning revenue.

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

Section 1. Short title. This Act may be cited as the Local Government Facility Lease Act.

Section 5. Definitions. As used in this Act:

"Facility property" means property owned by a municipality with a population of over 500,000 inhabitants, or a unit of local government whose jurisdiction includes territory located in whole or in part within a municipality with a population of over 500,000 inhabitants, that is used by the municipality or other unit of local government for the purpose of an airport, parking, or waste disposal or processing. "Airport", however, does not include any airport property, as defined under Section 10 of the O'Hare Modernization Act.

"Leased facility property" means facility property that is leased to a private entity for continued use for the same airport, parking, or waste disposal or processing purpose.

Section 10. Compliance with applicable ordinances. Each party to whom facility property is leased shall comply with all applicable ordinances of the municipality in which the property is located governing contracting with minority-owned and women-owned businesses and prohibiting discrimination and requiring appropriate affirmative action, to the extent permitted by law and federal funding restrictions, as if the party to whom the property is leased were that municipality.

Section 15. Limitation on the expansion of airport property. Chicago Midway International Airport is facility property used for airport purposes under this Act. No runway of Chicago Midway International Airport shall be expanded beyond

the territory bounded by 55th Street on the north, Cicero Avenue on the east, 63rd Street on the south, and Central Avenue on the west, as those avenues and streets are situated on the effective date of this Act.

Section 20. Use of lease proceeds by lessor.

(a) With respect to any leased facility property used for airport purposes, at least 90% of the net proceeds of the lease shall be expended or obligated by the lessor municipality for:

(i) the construction and maintenance of infrastructure within the municipality;

(ii) contributions to pension funds created for municipal employees; or

(iii) any combination of (i) or (ii).

(b) The amount of net proceeds expended or obligated for item (ii) in subsection (a) may not exceed the amount of net proceeds expended or obligated for item (i) in subsection (a). As used in this Section, "net proceeds" means the gross proceeds less any debt service payments on, and payments to retire, debt that is specifically associated with the leased facility property or otherwise required to be paid out of lease proceeds.

Section 25. Project labor agreements for projects funded by airport lease proceeds. With respect to the construction of public works funded by the proceeds described in Section 20, where the project has an estimated contract value of \$500,000 or more, where there has been a written determination that the public interest in cost, timely and orderly construction, labor stability, and advancement of minority-owned and women-owned businesses and minority and female employment would be served by a project labor agreement, and where not otherwise prohibited by applicable law, the municipality or municipal corporation responsible for implementing the project shall in good faith negotiate a project labor agreement with labor organizations engaged in the construction industry. Any

project labor agreement shall:

(1) set forth effective, immediate, and mutually binding procedures for resolving jurisdictional disputes and grievances arising before completion of work;

(2) contain guarantees against strikes, lockouts, or similar actions;

(3) ensure a reliable source of skilled and experienced labor;

(4) further public policy objectives as to improved employment opportunities for minorities and women in the construction industry to the extent permitted by State and federal law;

(5) be made binding on all contractors and subcontractors on the public works project through inclusion of appropriate bid specifications in all relevant bid documents; and

(6) include such other terms as the parties deem appropriate.

Section 30. Labor neutrality and card check procedure agreement at the leased property. With respect to employees assigned to work on the premises of leased facility property used for airport purposes and who are not otherwise members of an existing bargaining unit cognizable under the National Labor Relations Act, and where not otherwise prohibited by applicable law, the lessee shall negotiate in good faith, with any union that seeks to represent its employees, for a labor neutrality and card check procedure agreement. The agreement shall apply only to employees actually assigned to work on the premises of the leased facility property used for airport purposes and shall have no applicability to employees not so assigned. The agreement shall contain provisions accomplishing the following objectives: resolution by a third party neutral of disagreements regarding bargaining unit scope, inclusions, and exclusions; determination of the existence of majority support for a bargaining agent by means of a card check procedure;

employer neutrality; prohibition of coercion or intimidation of employees by either the employer or the union; and a prohibition on strikes, work stoppages, or picketing for the duration of the agreement.

Section 35. Wage requirements. In order to protect the wages, working conditions, and job opportunities of employees employed by the lessee of leased facility property used for airport purposes to perform work on the site of the leased premises previously performed by employees of the lessor on the site of the leased premises and who were in recognized bargaining units at the time of the lease, the lessee, and any subcontractor retained by the lessee to perform such work on the site of the leased premises, shall be required to pay to those employees an amount not less than the economic equivalent of the standard of wages and benefits enjoyed by the lessor's employees who previously performed that work. The lessor shall certify to the lessee the amount of wages and benefits (or their equivalent) as of the time of the lease, and any changes to those amounts as they may occur during the term of the lease. All projects at the leased facility property used for airport purposes shall be considered public works for purposes of the Prevailing Wage Act.

Section 40. Required offers of employment. As part of any transaction to lease facility property that is used for airport purposes:

(1) the lessee must offer employment, under substantially similar terms and conditions, to the employees of the municipality who are employed, at the time of the lease, with respect to the facility property used for airport purposes; and

(2) the municipality must offer employment in another department, division, or unit of the municipality, under substantially similar terms and conditions, to employees of the municipality who are employed, at the time of the

lease, with respect to the facility property used for airport purposes.

Section 45. Judicial enforcement. The provisions of this Act are judicially enforceable by injunctive relief and an award of actual damages.

Section 50. Home rule preemption; exemption from State Mandates Act.

(a) A home rule unit may not exercise its home rule powers and functions in a manner that is inconsistent with this Act. This subsection is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

(b) Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Act.

Section 900. The Property Tax Code is amended by changing Section 15-185 as follows:

(35 ILCS 200/15-185)

Sec. 15-185. Exemption for leaseback property and qualified leased property ~~Leaseback exemption.~~

(a) Notwithstanding anything in this Code to the contrary, all property owned by a municipality with a population of over 500,000 inhabitants, or a unit of local government whose jurisdiction includes territory located in whole or in part within a municipality with a population of over 500,000 inhabitants, shall remain exempt from taxation and any leasehold interest in that property shall not be subject to taxation under Section 9-195 if, ~~for the purpose of obtaining financing,~~ the property is directly or indirectly leased, sold, or otherwise transferred to another entity whose property is not exempt and immediately thereafter is the subject of a

leaseback or other agreement that directly or indirectly gives the municipality or unit of local government (i) a right to use, control, and possess the property or (ii) a right to require the other entity, or the other entity's designee or assignee, to use the property in the performance of services for the municipality or unit of local government. Property ~~The property~~ shall no longer be exempt under this subsection ~~Section~~ as of the date when the right of the municipality or unit of local government to use, control, and possess the property or to require the performance of services is terminated and the municipality or unit of local government no longer has any option to purchase or otherwise reacquire the interest in the property which was transferred by the municipality or unit of local government.

(b) Notwithstanding anything in this Code to the contrary, all property owned by a municipality with a population of over 500,000 inhabitants, or a unit of local government whose jurisdiction includes territory located in whole or in part within a municipality with a population of over 500,000 inhabitants, shall remain exempt from taxation and any leasehold interest in that property is not subject to taxation under Section 9-195 if the property, including dedicated public property, is used by a municipality or other unit of local government for the purpose of an airport or parking or for waste disposal or processing and is leased for continued use for the same purpose to another entity whose property is not exempt.

For the purposes of this subsection (b), "airport" does not include any airport property, as defined under Section 10 of the O'Hare Modernization Act.

Any transaction described under this subsection must be undertaken in accordance with all appropriate federal laws and regulations.

(c) For purposes of this Section, "municipality" means a municipality as defined in Section 1-1-2 of the Illinois Municipal Code, and "unit of local government" means a unit of

local government as defined in Article VII, Section 1 of the Constitution of the State of Illinois. The provisions of this Section supersede and control over any conflicting provisions of this Code.

(Source: P.A. 93-19, eff. 6-20-03.)

Section 905. The Illinois Municipal Code is amended by adding Section 11-102-15 as follows:

(65 ILCS 5/11-102-15 new)

Sec. 11-102-15. Chicago Midway International Airport; application of other Acts. In addition to the provisions of this Division 102, Chicago Midway International Airport is subject to the provisions of the Local Government Facility Lease Act.

Section 910. The Prevailing Wage Act is amended by changing Section 2 as follows:

(820 ILCS 130/2) (from Ch. 48, par. 39s-2)

Sec. 2. This Act applies to the wages of laborers, mechanics and other workers employed in any public works, as hereinafter defined, by any public body and to anyone under contracts for public works.

As used in this Act, unless the context indicates otherwise:

"Public works" means all fixed works constructed by any public body, other than work done directly by any public utility company, whether or not done under public supervision or direction, or paid for wholly or in part out of public funds. "Public works" as defined herein includes all projects financed in whole or in part with bonds issued under the Industrial Project Revenue Bond Act (Article 11, Division 74 of the Illinois Municipal Code), the Industrial Building Revenue Bond Act, the Illinois Finance Authority Act, the Illinois Sports Facilities Authority Act, or the Build Illinois Bond

Act, and all projects financed in whole or in part with loans or other funds made available pursuant to the Build Illinois Act. "Public works" also includes all projects financed in whole or in part with funds from the Fund for Illinois' Future under Section 6z-47 of the State Finance Act, funds for school construction under Section 5 of the General Obligation Bond Act, funds authorized under Section 3 of the School Construction Bond Act, funds for school infrastructure under Section 6z-45 of the State Finance Act, and funds for transportation purposes under Section 4 of the General Obligation Bond Act. "Public works" also includes all projects financed in whole or in part with funds from the Department of Commerce and Economic Opportunity ~~Community Affairs~~ under the Illinois Renewable Fuels Development Program Act for which there is no project labor agreement. "Public works" also includes all projects at leased facility property used for airport purposes under Section 35 of the Local Government Facility Lease Act.

"Construction" means all work on public works involving laborers, workers or mechanics.

"Locality" means the county where the physical work upon public works is performed, except (1) that if there is not available in the county a sufficient number of competent skilled laborers, workers and mechanics to construct the public works efficiently and properly, "locality" includes any other county nearest the one in which the work or construction is to be performed and from which such persons may be obtained in sufficient numbers to perform the work and (2) that, with respect to contracts for highway work with the Department of Transportation of this State, "locality" may at the discretion of the Secretary of the Department of Transportation be construed to include two or more adjacent counties from which workers may be accessible for work on such construction.

"Public body" means the State or any officer, board or commission of the State or any political subdivision or department thereof, or any institution supported in whole or in

part by public funds, and includes every county, city, town, village, township, school district, irrigation, utility, reclamation improvement or other district and every other political subdivision, district or municipality of the state whether such political subdivision, municipality or district operates under a special charter or not.

The terms "general prevailing rate of hourly wages", "general prevailing rate of wages" or "prevailing rate of wages" when used in this Act mean the hourly cash wages plus fringe benefits for training and apprenticeship programs approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training, health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character on public works.

(Source: P.A. 92-16, eff. 6-28-01; 93-15, eff. 6-11-03; 93-16, eff. 1-1-04; 93-205, eff. 1-1-04; revised 1-12-04.)

Section 915. The State Mandates Act is amended by adding Section 8.30 as follows:

(30 ILCS 805/8.30 new)

Sec. 8.30. 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 94th General Assembly.

Section 999. Effective date. This Act takes effect upon becoming law.