



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3400

by Rep. Joe Sosnowski

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-150-2 new
70 ILCS 3705/7.4 new
70 ILCS 3710/5.3 new
70 ILCS 3715/6
70 ILCS 3720/0.001b

from Ch. 111 2/3, par. 228

Amends the Illinois Municipal Code. Provides that the corporate authorities of a municipality shall bill for any utility service, including previously unbilled service, within 12 months (for residential customers) or 24 months (for non-residential customers) after the provision of the utility service. Provides exceptions to the time limits for billing when the customer prevented the utility from accurately reading the meter. Provides that the corporate authorities shall not intentionally delay billing beyond the normal billing cycle, shall label amounts attributed to previously unbilled service as such, shall prorate previously unbilled service amounts to reflect varying rates during the unbilled time, and provide the customer with a payment arrangement option for previously unbilled service amounts. Amends the Public Water District Act, the Water Service District Act, the Water Authorities Act, and the Water Commission Act making similar changes. Effective immediately.

LRB100 05971 AWJ 15999 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by adding
5 Section 11-150-2 as follows:

6 (65 ILCS 5/11-150-2 new)

7 Sec. 11-150-2. Billing for services.

8 (a) On or after the effective date of this amendatory Act
9 of the 100th General Assembly, the corporate authorities of any
10 municipality operating a waterworks or combined waterworks and
11 sewerage system:

12 (1) shall bill for any utility service, including
13 previously unbilled service: (A) within 12 months after the
14 provision of that service to the customer if the service is
15 supplied to a residential customer; or (B) within 24 months
16 after the provision of that service to that customer if the
17 service is supplied to a non-residential customer;

18 (2) shall not intentionally delay billing beyond the
19 normal billing cycle;

20 (3) shall label any amount attributed to previously
21 unbilled service as such on the customer's bill and include
22 the beginning and ending dates for the period during which
23 the previously unbilled amount accrued;

1 (4) shall issue the makeup billing amount calculated on
2 a prorated basis to reflect the varying rates for
3 previously unbilled service accrued over a period of time
4 when the rates for service have varied; and

5 (5) shall provide the customer with the option of a
6 payment arrangement to retire the makeup bill for
7 previously unbilled service by periodic payments, without
8 interest or late fees, over a time equal to the amount of
9 time the billing was delayed.

10 (b) The time limit of paragraph (1) of subsection (a) shall
11 not apply to previously unbilled service attributed to
12 tampering, theft of service, fraud, or the customer preventing
13 the utility's recorded efforts to obtain an accurate reading of
14 the meter.

15 Section 10. The Public Water District Act is amended by
16 adding Section 7.4 as follows:

17 (70 ILCS 3705/7.4 new)

18 Sec. 7.4. Billing for services.

19 (a) On or after the effective date of this amendatory Act
20 of the 100th General Assembly, a public water district:

21 (1) shall bill for any utility service, including
22 previously unbilled service: (A) within 12 months after the
23 provision of that service to the customer if the service is
24 supplied to a residential customer; or (B) within 24 months

1 after the provision of that service to that customer if the
2 service is supplied to a non-residential customer;

3 (2) shall not intentionally delay billing beyond the
4 normal billing cycle;

5 (3) shall label any amount attributed to previously
6 unbilled service as such on the customer's bill and include
7 the beginning and ending dates for the period during which
8 the previously unbilled amount accrued;

9 (4) shall issue the makeup billing amount calculated on
10 a prorated basis to reflect the varying rates for
11 previously unbilled service accrued over a period of time
12 when the rates for service have varied; and

13 (5) shall provide the customer with the option of a
14 payment arrangement to retire the makeup bill for
15 previously unbilled service by periodic payments, without
16 interest or late fees, over a time equal to the amount of
17 time the billing was delayed.

18 (b) The time limit of paragraph (1) of subsection (a) shall
19 not apply to previously unbilled service attributed to
20 tampering, theft of service, fraud, or the customer preventing
21 the utility's recorded efforts to obtain an accurate reading of
22 the meter.

23 Section 15. The Water Service District Act is amended by
24 adding Section 5.3 as follows:

1 (70 ILCS 3710/5.3 new)

2 Sec. 5.3. Billing for services.

3 (a) On or after the effective date of this amendatory Act
4 of the 100th General Assembly, a water service district:

5 (1) shall bill for any utility service, including
6 previously unbilled service: (A) within 12 months after the
7 provision of that service to the customer if the service is
8 supplied to a residential customer; or (B) within 24 months
9 after the provision of that service to that customer if the
10 service is supplied to a non-residential customer;

11 (2) shall not intentionally delay billing beyond the
12 normal billing cycle;

13 (3) shall label any amount attributed to previously
14 unbilled service as such on the customer's bill and include
15 the beginning and ending dates for the period during which
16 the previously unbilled amount accrued;

17 (4) shall issue the makeup billing amount calculated on
18 a prorated basis to reflect the varying rates for
19 previously unbilled service accrued over a period of time
20 when the rates for service have varied; and

21 (5) shall provide the customer with the option of a
22 payment arrangement to retire the makeup bill for
23 previously unbilled service by periodic payments, without
24 interest or late fees, over a time equal to the amount of
25 time the billing was delayed.

26 (b) The time limit of paragraph (1) of subsection (a) shall

1 not apply to previously unbilled service attributed to
2 tampering, theft of service, fraud, or the customer preventing
3 the utility's recorded efforts to obtain an accurate reading of
4 the meter.

5 Section 20. The Water Authorities Act is amended by
6 changing Section 6 as follows:

7 (70 ILCS 3715/6) (from Ch. 111 2/3, par. 228)

8 Sec. 6. Such board of trustees shall have the following
9 powers:

10 1. To make inspections of wells or other withdrawal
11 facilities and to require information and data from the owners
12 or operators thereof concerning the supply, withdrawal and use
13 of water.

14 2. To require the registration with them of all wells or
15 other withdrawal facilities in accordance with such form or
16 forms as they deem advisable.

17 3. To require permits from them for all additional wells or
18 withdrawal facilities or for the deepening, extending or
19 enlarging existing wells or withdrawal facilities.

20 4. To require the plugging of abandoned wells or the repair
21 of any well or withdrawal facility to prevent loss of water or
22 contamination of supply.

23 5. To reasonably regulate the use of water and during any
24 period of actual or threatened shortage to establish limits

1 upon or priorities as to the use of water. In issuing any such
2 regulation, limitation, or priority, such board shall seek to
3 promote the common welfare by considering the public interest,
4 the average amount of present withdrawals, relative benefits or
5 importance of use, economy or efficiency of use and any other
6 reasonable differentiation. Appropriate consideration shall
7 also be given to any user, who has theretofore reduced the
8 volume of ground water previously consumed by such user or who
9 has taken care of increased requirements by installing and
10 using equipment and facilities permitting the use of surface
11 water by such user.

12 6. To supplement the existing water supply or provide
13 additional water supply by such means as may be practicable or
14 feasible. They may acquire property or property rights either
15 within or without the boundaries of the authority by purchase,
16 lease, condemnation proceedings or otherwise, and they may
17 construct, maintain and operate wells, reservoirs, pumping
18 stations, purification plants, infiltration pits, recharging
19 wells and such other facilities as may be necessary to insure
20 an adequate supply of water for the present and future needs of
21 the authority. They shall have the right to sell water to
22 municipalities or public utilities operating water
23 distribution systems either within or without the authority.

24 7. To levy and collect a general tax on all of the taxable
25 property within the corporate limits of the authority, the
26 aggregate amount of which for one year, exclusive of the amount

1 levied for bonded indebtedness or interest thereon, shall not
2 exceed .08 per cent of the value as equalized or assessed by
3 the Department of Revenue. For the purpose of acquiring
4 necessary property or facilities, to issue general obligation
5 bonds bearing interest at the rate of not to exceed the maximum
6 rate authorized by the Bond Authorization Act, as amended at
7 the time of the making of the contract, and payable over a
8 period of not to exceed 20 years, the aggregate principal
9 amount of which at any one time outstanding shall not exceed
10 one-half of 1% of the value as equalized or assessed by the
11 Department of Revenue of all taxable property located within
12 the corporate limits of the authority and to levy and collect a
13 further or additional direct annual tax upon all the taxable
14 property within the corporate limits of such authority
15 sufficient to meet the principal and interest of such bonds as
16 the same mature. They shall also have authority to issue
17 revenue bonds payable solely out of anticipated revenues.

18 8. To consult with and receive available information
19 concerning their duties and responsibilities from the State
20 Water Survey, the State Geological Survey, the Board of Natural
21 Resources and Conservation, the Water Resources and Flood
22 Control Board and any other board or commission of the State.
23 Before constructing any facility for providing additional
24 water supply, the plans therefor shall be submitted to and
25 approved by the Environmental Protection Agency or its
26 successor and all operations of such facilities shall be

1 conducted in accordance with such rules and regulations as may
2 from time to time be prescribed by the Pollution Control Board.

3 9. To have the right by appropriate action in the circuit
4 court of any county in which such authority, or any part
5 thereof, is located to restrain any violation or threatened
6 violation of any of their orders, rules, regulations or
7 ordinances.

8 10. To provide by ordinance that the violation of any
9 provision of any rule, regulation or ordinance adopted by them
10 shall constitute a misdemeanor subject to a fine by the circuit
11 court of not to exceed \$50 for each act of violation and that
12 each day's violation shall constitute a separate offense.

13 11. On or after the effective date of this amendatory Act
14 of the 100th General Assembly, to bill for any utility service,
15 including previously unbilled service, supplied to a
16 residential customer within 12 months, or a non-residential
17 customer within 24 months, after the provision of that service
18 to the customer. The time limit of this paragraph shall not
19 apply to previously unbilled service attributed to tampering,
20 theft of service, fraud, or the customer preventing the
21 utility's recorded efforts to obtain an accurate reading of the
22 meter. The trustees shall: (i) label any amount attributed to
23 previously unbilled service as such on the customer's bill and
24 include the beginning and ending dates for the period during
25 which the previously unbilled amount accrued; (ii) issue the
26 makeup billing amount calculated on a prorated basis to reflect

1 the varying rates for previously unbilled service accrued over
2 a period of time when the rates for service have varied; and
3 (iii) provide the customer with the option of a payment
4 arrangement to retire the makeup bill for previously unbilled
5 service by periodic payments, without interest or late fees,
6 over a time equal to the amount of time the billing was
7 delayed. The trustees shall not intentionally delay billing
8 beyond the normal bill cycle.

9 With respect to instruments for the payment of money issued
10 under this Section either before, on, or after the effective
11 date of this amendatory Act of 1989, it is and always has been
12 the intention of the General Assembly (i) that the Omnibus Bond
13 Acts are and always have been supplementary grants of power to
14 issue instruments in accordance with the Omnibus Bond Acts,
15 regardless of any provision of this Act that may appear to be
16 or to have been more restrictive than those Acts, (ii) that the
17 provisions of this Section are not a limitation on the
18 supplementary authority granted by the Omnibus Bond Acts, and
19 (iii) that instruments issued under this Section within the
20 supplementary authority granted by the Omnibus Bond Acts are
21 not invalid because of any provision of this Act that may
22 appear to be or to have been more restrictive than those Acts.

23 (Source: P.A. 86-4.)

24 Section 25. The Water Commission Act of 1985 is amended by
25 changing Section 0.001b as follows:

1 (70 ILCS 3720/0.001b)

2 Sec. 0.001b. Powers and duties. A water commission has the
3 power and duty to:

4 (1) establish and define the responsibilities of the
5 commission and its committees;

6 (2) establish and define the responsibilities of the
7 commission's management and staff;

8 (3) establish a finance committee to conduct monthly
9 meetings to supervise staff's handling of financial
10 matters and budgeting;

11 (4) require the finance director and treasurer to
12 report to the finance committee the status of all
13 commission funds and obligations;

14 (5) require the treasurer to report to the commission
15 any improper or unnecessary expenditures, budgetary
16 errors, or accounting irregularities;

17 (6) require commission staff to document and comply
18 with standard accounting policies, procedures, and
19 controls to ensure accurate reporting to the finance
20 committee and commission and to identify improper or
21 unnecessary expenditures, budgetary errors, or accounting
22 irregularities;

23 (7) require the commission's finance director to
24 provide monthly reports regarding the commission's cash
25 and investment position including whether the commission

1 has sufficient cash and investments to pay its debt
2 service, operating expenses, and capital expenditures and
3 maintain required reserve levels. The information shall
4 include the required funding levels for restricted funds
5 and unrestricted cash and investment balances with
6 comparisons to unrestricted reserves. The information
7 shall also include the type and performance of the
8 commission's investments and description as to whether
9 those investments are in compliance with the commission's
10 investment policies;

11 (8) require the commission's finance director to
12 provide the commission with detailed information
13 concerning the commission's operating performance
14 including the budgeted and actual monthly amounts for water
15 sales, water costs, and other operating expenses;

16 (9) require commission staff to provide the commission
17 with detailed information regarding the progress of
18 capital projects including whether the percentage of
19 completion and costs incurred are timely;

20 (10) require the commission's staff accountant to
21 perform bank reconciliations and general ledger account
22 reconciliations on a monthly basis; the finance director
23 shall review these reconciliations and provide them to the
24 treasurer and the finance committee on a monthly basis;

25 (11) establish policies to ensure the proper
26 segregation of the financial duties performed by

1 employees;

2 (12) restrict access to the established accounting
3 systems and general ledger systems and provide for adequate
4 segregation of duties so that no single person has sole
5 access and control over the accounting system or the
6 general ledger system;

7 (13) require that the finance director review and
8 approve all manual journal entries and supporting
9 documentation; the treasurer shall review and approve the
10 finance director's review and approval of manual journal
11 entries and supporting documentation;

12 (14) require that the finance director closely monitor
13 the progress of construction projects;

14 (15) require that the finance director carefully
15 document any GAAP analysis or communications with GASB and
16 provide full and timely reports for the same to the finance
17 committee; ~~and~~

18 (16) retain an outside independent auditor to perform a
19 comprehensive audit of the water commission's financial
20 activities for each fiscal year in conformance with the
21 standard practices of the Association of Governmental
22 Auditors; within 30 days after the independent audit is
23 completed, the results of the audit must be sent to the
24 county auditor; and-

25 (17) on or after the effective date of this amendatory
26 Act of the 100th General Assembly, bill for any utility

1 service, including previously unbilled service, supplied
2 to a residential customer within 12 months, or a
3 non-residential customer within 24 months, after the
4 provision of that service to the customer. The time limit
5 of this paragraph shall not apply to previously unbilled
6 service attributed to tampering, theft of service, fraud,
7 or the customer preventing the utility's recorded efforts
8 to obtain an accurate reading of the meter. The commission
9 shall: (i) label any amount attributed to previously
10 unbilled service as such on the customer's bill and include
11 the beginning and ending dates for the period during which
12 the previously unbilled amount accrued; (ii) issue the
13 makeup billing amount calculated on a prorated basis to
14 reflect the varying rates for previously unbilled service
15 accrued over a period of time when the rates for service
16 have varied; and (iii) provide the customer with the option
17 of a payment arrangement to retire the makeup bill for
18 previously unbilled service by periodic payments, without
19 interest or late fees, over a time equal to the amount of
20 time the billing was delayed. The commission shall not
21 intentionally delay billing beyond the normal bill cycle.

22 (Source: P.A. 96-1389, eff. 7-29-10.)

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