



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4168

Introduced 1/22/2020, by Rep. William Davis

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Revenue Sharing Act and the Illinois Income Tax Act. Provides that a monthly transfer shall be made to the Local Government Distributive Fund an amount certified by the Department of Revenue equal to: (1) the amount that would have been distributed under the State Revenue Sharing Act to all financially distressed cities if a sum calculated using 10% of the net revenue realized from the tax imposed by the Illinois Income Tax Act upon individuals, trusts, estates, and corporations during the preceding month had been transferred to the Local Government Distributive Fund; and (2) subtracting the amount distributed to all financially distressed cities from the Local Government Distributive Fund under the State Revenue Sharing Act. Provides for continuing appropriation if insufficient appropriations are made. Amends the Financially Distressed City Law of the Illinois Municipal Code. Makes the law applicable to both home rule and non-home rule municipalities. Provides that a State agency or unit of local government may also render technical assistance to a municipality's Financial Advisory Authority as the Authority may request. Provides that the State shall not reduce revenues or impose additional costs affecting a financially distressed city affecting the municipality unless it is consistent with the Financial Plan and Budget in effect. Provides that State mandates enacted while a municipality is designated as a financially distressed city that would cause the municipality to incur costs are not valid or enforceable during the period when the municipality is under the financially distressed city designation. Effective January 1, 2021.

LRB101 15644 AWJ 65284 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 State Revenue Sharing Act is amended by
5 changing Section 2 as follows:

6 (30 ILCS 115/2) (from Ch. 85, par. 612)

7 Sec. 2. Allocation and Disbursement.

8 (a) As soon as may be after the first day of each month,
9 the Department of Revenue shall allocate among the several
10 municipalities and counties of this State the amount available
11 in the Local Government Distributive Fund and in the Income Tax
12 Surcharge Local Government Distributive Fund, determined as
13 provided in Sections 1 and 1a above. Except as provided in
14 Sections 13 and 13.1 of this Act, the Department shall then
15 certify such allocations to the State Comptroller, who shall
16 pay over to the several municipalities and counties the
17 respective amounts allocated to them. The amount of such Funds
18 allocable to each such municipality and county shall be in
19 proportion to the number of individual residents of such
20 municipality or county to the total population of the State,
21 determined in each case on the basis of the latest census of
22 the State, municipality or county conducted by the Federal
23 government and certified by the Secretary of State and for

1 annexations to municipalities, the latest Federal, State or
2 municipal census of the annexed area which has been certified
3 by the Department of Revenue. Allocations to the City of
4 Chicago under this Section are subject to Section 6 of the
5 Hotel Operators' Occupation Tax Act. For the purpose of this
6 Section, the number of individual residents of a county shall
7 be reduced by the number of individuals residing therein in
8 municipalities, but the number of individual residents of the
9 State, county and municipality shall reflect the latest census
10 of any of them. The amounts transferred into the Local
11 Government Distributive Fund pursuant to Section 9 of the Use
12 Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the
13 Service Occupation Tax Act, and Section 3 of the Retailers'
14 Occupation Tax Act, each as now or hereafter amended, pursuant
15 to the amendments of such Sections by Public Act 85-1135, shall
16 be distributed as provided in said Sections.

17 (a-5) The Department of Revenue shall allocate, as soon as
18 may be practicable after the first day of each month, among
19 each financially distressed city, as that term is defined in
20 Section 8-12-3 of the Illinois Municipal Code, funds
21 transferred to the Local Government Distributive Fund under
22 subsection (b-5) of Section 901 of the Illinois Income Tax Act.
23 The Department shall then certify such allocations to the State
24 Comptroller who shall pay over to each financially distressed
25 city the respective amounts allocated to it. The amount of
26 funds allocable to each financially distressed city shall be in

1 proportion to the number of individual residents of the
2 financially distressed city to the total population of all
3 financially distressed cities combined, determined in each
4 case on the basis of the latest census of the State,
5 municipality, or county conducted by the Federal government and
6 certified by the Secretary of State and for annexations to
7 municipalities, the latest Federal, State, or municipal census
8 of the annexed area which has been certified to the Department
9 of Revenue. However, nothing in this subsection shall reduce an
10 amount certified to the Comptroller under subsection (c) of
11 Section 3-125 or subsection (b-5) of Section 4-118 of the
12 Illinois Pension Code for failure to transmit contributions
13 required by the financially distressed city to the Article 3 or
14 Article 4 pension fund in its jurisdiction. The Comptroller
15 shall continue to deduct and remit the certified amount to the
16 Article 3 or Article 4 pension fund consistent with the
17 requirements of subsection (c) of Section 3-125 or subsection
18 (b-5) of Section 4-118 of the Illinois Pension Code. The
19 Comptroller shall continue to deduct and remit all funds
20 necessary to enforce the terms of existing settlement
21 agreements between a municipality designated a financially
22 distressed city and an Article 3 or Article 4 Pension Fund.

23 If for any reason the aggregate appropriations made
24 available are insufficient to meet the amount certified under
25 this subsection:

26 (1) The Governor shall submit to the General Assembly a

1 proposed budget for the amount certified under this
2 subsection from the Local Government Distributive Fund to
3 each financially distressed city for each fiscal year so
4 that the total Local Government Distributive Fund proposed
5 budget is no less than the amount certified and allocated
6 under this subsection. In addition, the Governor shall
7 specify the total amount of funds to be transferred from
8 the Local Government Distributive Fund to each financially
9 distressed city during the budget year, which shall be no
10 less than the amount certified and allocated under this
11 subsection. The Governor may submit a proposed budget in
12 which the total appropriated and transferred amounts are
13 less than the amount certified and allocated under this
14 subsection if the Governor declares in writing to the
15 General Assembly the reason for the lesser amounts.

16 (2) The General Assembly shall appropriate the amount
17 certified under this subsection from the Local Government
18 Distributive Fund to each financially distressed city for
19 each fiscal year so that the total Local Government
20 Distributive Fund appropriation is no less than the amount
21 certified under this subsection. In addition, the General
22 Assembly shall legislatively transfer from the Local
23 Government Distributive Fund to each financially
24 distressed city for the fiscal year a total amount that is
25 no less than the amount certified and allocated under this
26 subsection. The General Assembly may appropriate or

1 transfer lesser amounts if it declares by Joint Resolution
2 the reason for the lesser amounts.

3 (b) It is the intent of the General Assembly that
4 allocations made under this Section shall be made in a fair and
5 equitable manner. Accordingly, the clerk of any municipality to
6 which territory has been annexed, or from which territory has
7 been disconnected, shall notify the Department of Revenue in
8 writing of that annexation or disconnection and shall (1) state
9 the number of residents within the territory that was annexed
10 or disconnected, based on the last census conducted by the
11 federal, State, or municipal government and certified by the
12 Illinois Secretary of State, and (2) furnish therewith a
13 certified copy of the plat of annexation or, in the case of
14 disconnection, the ordinance, final judgment, or resolution of
15 disconnection together with an accurate depiction of the
16 territory disconnected. The county in which the annexed or
17 disconnected territory is located shall verify that the number
18 of residents stated on the written notice that is to be sent to
19 the Department of Revenue is true and accurate. The verified
20 statement of the county shall accompany the written notice.
21 However, if the county does not respond to the municipality's
22 request for verification within 30 days, this verification
23 requirement shall be waived. The written notice shall be
24 provided to the Department of Revenue (1) within 30 days after
25 the effective date of this amendatory Act of the 96th General
26 Assembly for disconnections occurring after January 1, 2007 and

1 before the effective date of this amendatory Act of the 96th
2 General Assembly or (2) within 30 days after the annexation or
3 disconnection for annexations or disconnections occurring on
4 or after the effective date of this amendatory Act of the 96th
5 General Assembly. For purposes of this Section, a disconnection
6 or annexation through court order is deemed to be effective 30
7 days after the entry of a final judgment order, unless stayed
8 pending appeal. Thereafter, the monthly allocation made to the
9 municipality and to any other municipality or county affected
10 by the annexation or disconnection shall be adjusted in
11 accordance with this Section to reflect the change in residency
12 of the residents of the territory that was annexed or
13 disconnected. The adjustment shall be made no later than 30
14 days after the Department of Revenue's receipt of the written
15 notice of annexation or disconnection described in this
16 Section.

17 (Source: P.A. 96-1040, eff. 7-14-10.)

18 Section 10. The Illinois Income Tax Act is amended by
19 changing Section 901 as follows:

20 (35 ILCS 5/901)

21 (Text of Section before amendment by P.A. 101-8)

22 Sec. 901. Collection authority.

23 (a) In general. The Department shall collect the taxes
24 imposed by this Act. The Department shall collect certified

1 past due child support amounts under Section 2505-650 of the
2 Department of Revenue Law of the Civil Administrative Code of
3 Illinois. Except as provided in subsections (b), (c), (e), (f),
4 (g), and (h) of this Section, money collected pursuant to
5 subsections (a) and (b) of Section 201 of this Act shall be
6 paid into the General Revenue Fund in the State treasury; money
7 collected pursuant to subsections (c) and (d) of Section 201 of
8 this Act shall be paid into the Personal Property Tax
9 Replacement Fund, a special fund in the State Treasury; and
10 money collected under Section 2505-650 of the Department of
11 Revenue Law of the Civil Administrative Code of Illinois shall
12 be paid into the Child Support Enforcement Trust Fund, a
13 special fund outside the State Treasury, or to the State
14 Disbursement Unit established under Section 10-26 of the
15 Illinois Public Aid Code, as directed by the Department of
16 Healthcare and Family Services.

17 (b) Local Government Distributive Fund. Beginning August
18 1, 2017, the Treasurer shall transfer each month from the
19 General Revenue Fund to the Local Government Distributive Fund
20 an amount equal to the sum of (i) 6.06% (10% of the ratio of the
21 3% individual income tax rate prior to 2011 to the 4.95%
22 individual income tax rate after July 1, 2017) of the net
23 revenue realized from the tax imposed by subsections (a) and
24 (b) of Section 201 of this Act upon individuals, trusts, and
25 estates during the preceding month and (ii) 6.85% (10% of the
26 ratio of the 4.8% corporate income tax rate prior to 2011 to

1 the 7% corporate income tax rate after July 1, 2017) of the net
2 revenue realized from the tax imposed by subsections (a) and
3 (b) of Section 201 of this Act upon corporations during the
4 preceding month. Net revenue realized for a month shall be
5 defined as the revenue from the tax imposed by subsections (a)
6 and (b) of Section 201 of this Act which is deposited in the
7 General Revenue Fund, the Education Assistance Fund, the Income
8 Tax Surcharge Local Government Distributive Fund, the Fund for
9 the Advancement of Education, and the Commitment to Human
10 Services Fund during the month minus the amount paid out of the
11 General Revenue Fund in State warrants during that same month
12 as refunds to taxpayers for overpayment of liability under the
13 tax imposed by subsections (a) and (b) of Section 201 of this
14 Act.

15 Notwithstanding any provision of law to the contrary,
16 beginning on July 6, 2017 (the effective date of Public Act
17 100-23), those amounts required under this subsection (b) to be
18 transferred by the Treasurer into the Local Government
19 Distributive Fund from the General Revenue Fund shall be
20 directly deposited into the Local Government Distributive Fund
21 as the revenue is realized from the tax imposed by subsections
22 (a) and (b) of Section 201 of this Act.

23 For State fiscal year 2020 only, notwithstanding any
24 provision of law to the contrary, the total amount of revenue
25 and deposits under this Section attributable to revenues
26 realized during State fiscal year 2020 shall be reduced by 5%.

1 (b-5) Financially Distressed Cities Allocation. The
2 Department of Revenue shall certify to the Treasurer an amount
3 equal to:

4 (1) the amount that would have been distributed under
5 subsection (a) of Section 2 of the State Revenue Sharing
6 Act to all financially distressed cities, as that term is
7 defined in Section 8-12-3 of the Illinois Municipal Code,
8 if the Treasurer had transferred under subsection (b) to
9 the Local Government Distributive Fund a sum calculated
10 using (i) 10% of the net revenue realized from the tax
11 imposed by subsections (a) and (b) of Section 201 of this
12 Act upon individuals, trusts, and estates during the
13 preceding month and (ii) 10% of the net revenue realized
14 from the tax imposed by subsections (a) and (b) of Section
15 201 of this Act upon corporations during the preceding
16 month; and

17 (2) subtracting from the amount calculated under
18 paragraph (1) the amount distributed to all financially
19 distressed cities under subsection (a) of Section 2 of the
20 State Revenue Sharing Act during the current month.

21 Upon receipt of the certification from the Department of
22 Revenue, the Treasurer shall order transferred and the
23 Comptroller shall transfer from the General Revenue Fund to the
24 Local Government Distributive Fund the amount shown on the
25 certification.

26 However, nothing in this subsection shall reduce an amount

1 certified to the Comptroller under subsection (c) of Section
2 3-125 or subsection (b-5) of Section 4-118 of the Illinois
3 Pension Code for failure to transmit contributions required by
4 the financially distressed city to the Article 3 or Article 4
5 pension fund in its jurisdiction. The Comptroller shall
6 continue to deduct and remit the certified amount to the
7 Article 3 or Article 4 pension fund consistent with the
8 requirements of subsection (c) of Section 3-125 or subsection
9 (b-5) of Section 4-118 of the Illinois Pension Code. The
10 Comptroller shall continue to deduct and remit all funds
11 necessary to enforce the terms of existing settlement
12 agreements between a municipality designated a financially
13 distressed city and an Article 3 or Article 4 Pension Fund.

14 If for any reason the aggregate appropriations made
15 available are insufficient to meet the amount certified under
16 this subsection:

17 (1) The Governor shall submit to the General Assembly a
18 proposed budget for the amount certified under this
19 subsection from the General Revenue Fund to the Local
20 Government Distributive Fund for each fiscal year so that
21 the total General Revenue Fund proposed budget is no less
22 than the amount certified under this subsection. In
23 addition, the Governor shall specify the total amount of
24 funds to be transferred from the General Revenue Fund to
25 the Local Government Distributive Fund during the budget
26 year, which shall be no less than the amount certified

1 under this subsection. The Governor may submit a proposed
2 budget in which the total appropriated and transferred
3 amounts are less than the amount certified under this
4 subsection if the Governor declares in writing to the
5 General Assembly the reason for the lesser amounts.

6 (2) The General Assembly shall appropriate the amount
7 certified under this subsection from the General Revenue
8 Fund to the Local Government Distributive Fund for each
9 fiscal year so that the total General Revenue Fund
10 appropriation is no less than the amount certified under
11 this subsection. In addition, the General Assembly shall
12 legislatively transfer from the General Revenue Fund to the
13 Local Government Distributive Fund for the fiscal year a
14 total amount that is no less than the amount certified
15 under this subsection. The General Assembly may
16 appropriate or transfer lesser amounts if it declares by
17 Joint Resolution the reason for the lesser amounts.

18 (c) Deposits Into Income Tax Refund Fund.

19 (1) Beginning on January 1, 1989 and thereafter, the
20 Department shall deposit a percentage of the amounts
21 collected pursuant to subsections (a) and (b) (1), (2), and
22 (3) of Section 201 of this Act into a fund in the State
23 treasury known as the Income Tax Refund Fund. Beginning
24 with State fiscal year 1990 and for each fiscal year
25 thereafter, the percentage deposited into the Income Tax
26 Refund Fund during a fiscal year shall be the Annual

1 Percentage. For fiscal year 2011, the Annual Percentage
2 shall be 8.75%. For fiscal year 2012, the Annual Percentage
3 shall be 8.75%. For fiscal year 2013, the Annual Percentage
4 shall be 9.75%. For fiscal year 2014, the Annual Percentage
5 shall be 9.5%. For fiscal year 2015, the Annual Percentage
6 shall be 10%. For fiscal year 2018, the Annual Percentage
7 shall be 9.8%. For fiscal year 2019, the Annual Percentage
8 shall be 9.7%. For fiscal year 2020, the Annual Percentage
9 shall be 9.5%. For all other fiscal years, the Annual
10 Percentage shall be calculated as a fraction, the numerator
11 of which shall be the amount of refunds approved for
12 payment by the Department during the preceding fiscal year
13 as a result of overpayment of tax liability under
14 subsections (a) and (b) (1), (2), and (3) of Section 201 of
15 this Act plus the amount of such refunds remaining approved
16 but unpaid at the end of the preceding fiscal year, minus
17 the amounts transferred into the Income Tax Refund Fund
18 from the Tobacco Settlement Recovery Fund, and the
19 denominator of which shall be the amounts which will be
20 collected pursuant to subsections (a) and (b) (1), (2), and
21 (3) of Section 201 of this Act during the preceding fiscal
22 year; except that in State fiscal year 2002, the Annual
23 Percentage shall in no event exceed 7.6%. The Director of
24 Revenue shall certify the Annual Percentage to the
25 Comptroller on the last business day of the fiscal year
26 immediately preceding the fiscal year for which it is to be

1 effective.

2 (2) Beginning on January 1, 1989 and thereafter, the
3 Department shall deposit a percentage of the amounts
4 collected pursuant to subsections (a) and (b) (6), (7), and
5 (8), (c) and (d) of Section 201 of this Act into a fund in
6 the State treasury known as the Income Tax Refund Fund.
7 Beginning with State fiscal year 1990 and for each fiscal
8 year thereafter, the percentage deposited into the Income
9 Tax Refund Fund during a fiscal year shall be the Annual
10 Percentage. For fiscal year 2011, the Annual Percentage
11 shall be 17.5%. For fiscal year 2012, the Annual Percentage
12 shall be 17.5%. For fiscal year 2013, the Annual Percentage
13 shall be 14%. For fiscal year 2014, the Annual Percentage
14 shall be 13.4%. For fiscal year 2015, the Annual Percentage
15 shall be 14%. For fiscal year 2018, the Annual Percentage
16 shall be 17.5%. For fiscal year 2019, the Annual Percentage
17 shall be 15.5%. For fiscal year 2020, the Annual Percentage
18 shall be 14.25%. For all other fiscal years, the Annual
19 Percentage shall be calculated as a fraction, the numerator
20 of which shall be the amount of refunds approved for
21 payment by the Department during the preceding fiscal year
22 as a result of overpayment of tax liability under
23 subsections (a) and (b) (6), (7), and (8), (c) and (d) of
24 Section 201 of this Act plus the amount of such refunds
25 remaining approved but unpaid at the end of the preceding
26 fiscal year, and the denominator of which shall be the

1 amounts which will be collected pursuant to subsections (a)
2 and (b) (6), (7), and (8), (c) and (d) of Section 201 of
3 this Act during the preceding fiscal year; except that in
4 State fiscal year 2002, the Annual Percentage shall in no
5 event exceed 23%. The Director of Revenue shall certify the
6 Annual Percentage to the Comptroller on the last business
7 day of the fiscal year immediately preceding the fiscal
8 year for which it is to be effective.

9 (3) The Comptroller shall order transferred and the
10 Treasurer shall transfer from the Tobacco Settlement
11 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
12 in January, 2001, (ii) \$35,000,000 in January, 2002, and
13 (iii) \$35,000,000 in January, 2003.

14 (d) Expenditures from Income Tax Refund Fund.

15 (1) Beginning January 1, 1989, money in the Income Tax
16 Refund Fund shall be expended exclusively for the purpose
17 of paying refunds resulting from overpayment of tax
18 liability under Section 201 of this Act and for making
19 transfers pursuant to this subsection (d).

20 (2) The Director shall order payment of refunds
21 resulting from overpayment of tax liability under Section
22 201 of this Act from the Income Tax Refund Fund only to the
23 extent that amounts collected pursuant to Section 201 of
24 this Act and transfers pursuant to this subsection (d) and
25 item (3) of subsection (c) have been deposited and retained
26 in the Fund.

1 (3) As soon as possible after the end of each fiscal
2 year, the Director shall order transferred and the State
3 Treasurer and State Comptroller shall transfer from the
4 Income Tax Refund Fund to the Personal Property Tax
5 Replacement Fund an amount, certified by the Director to
6 the Comptroller, equal to the excess of the amount
7 collected pursuant to subsections (c) and (d) of Section
8 201 of this Act deposited into the Income Tax Refund Fund
9 during the fiscal year over the amount of refunds resulting
10 from overpayment of tax liability under subsections (c) and
11 (d) of Section 201 of this Act paid from the Income Tax
12 Refund Fund during the fiscal year.

13 (4) As soon as possible after the end of each fiscal
14 year, the Director shall order transferred and the State
15 Treasurer and State Comptroller shall transfer from the
16 Personal Property Tax Replacement Fund to the Income Tax
17 Refund Fund an amount, certified by the Director to the
18 Comptroller, equal to the excess of the amount of refunds
19 resulting from overpayment of tax liability under
20 subsections (c) and (d) of Section 201 of this Act paid
21 from the Income Tax Refund Fund during the fiscal year over
22 the amount collected pursuant to subsections (c) and (d) of
23 Section 201 of this Act deposited into the Income Tax
24 Refund Fund during the fiscal year.

25 (4.5) As soon as possible after the end of fiscal year
26 1999 and of each fiscal year thereafter, the Director shall

1 order transferred and the State Treasurer and State
2 Comptroller shall transfer from the Income Tax Refund Fund
3 to the General Revenue Fund any surplus remaining in the
4 Income Tax Refund Fund as of the end of such fiscal year;
5 excluding for fiscal years 2000, 2001, and 2002 amounts
6 attributable to transfers under item (3) of subsection (c)
7 less refunds resulting from the earned income tax credit.

8 (5) This Act shall constitute an irrevocable and
9 continuing appropriation from the Income Tax Refund Fund
10 for the purpose of paying refunds upon the order of the
11 Director in accordance with the provisions of this Section.

12 (e) Deposits into the Education Assistance Fund and the
13 Income Tax Surcharge Local Government Distributive Fund. On
14 July 1, 1991, and thereafter, of the amounts collected pursuant
15 to subsections (a) and (b) of Section 201 of this Act, minus
16 deposits into the Income Tax Refund Fund, the Department shall
17 deposit 7.3% into the Education Assistance Fund in the State
18 Treasury. Beginning July 1, 1991, and continuing through
19 January 31, 1993, of the amounts collected pursuant to
20 subsections (a) and (b) of Section 201 of the Illinois Income
21 Tax Act, minus deposits into the Income Tax Refund Fund, the
22 Department shall deposit 3.0% into the Income Tax Surcharge
23 Local Government Distributive Fund in the State Treasury.
24 Beginning February 1, 1993 and continuing through June 30,
25 1993, of the amounts collected pursuant to subsections (a) and
26 (b) of Section 201 of the Illinois Income Tax Act, minus

1 deposits into the Income Tax Refund Fund, the Department shall
2 deposit 4.4% into the Income Tax Surcharge Local Government
3 Distributive Fund in the State Treasury. Beginning July 1,
4 1993, and continuing through June 30, 1994, of the amounts
5 collected under subsections (a) and (b) of Section 201 of this
6 Act, minus deposits into the Income Tax Refund Fund, the
7 Department shall deposit 1.475% into the Income Tax Surcharge
8 Local Government Distributive Fund in the State Treasury.

9 (f) Deposits into the Fund for the Advancement of
10 Education. Beginning February 1, 2015, the Department shall
11 deposit the following portions of the revenue realized from the
12 tax imposed upon individuals, trusts, and estates by
13 subsections (a) and (b) of Section 201 of this Act, minus
14 deposits into the Income Tax Refund Fund, into the Fund for the
15 Advancement of Education:

16 (1) beginning February 1, 2015, and prior to February
17 1, 2025, 1/30; and

18 (2) beginning February 1, 2025, 1/26.

19 If the rate of tax imposed by subsection (a) and (b) of
20 Section 201 is reduced pursuant to Section 201.5 of this Act,
21 the Department shall not make the deposits required by this
22 subsection (f) on or after the effective date of the reduction.

23 (g) Deposits into the Commitment to Human Services Fund.
24 Beginning February 1, 2015, the Department shall deposit the
25 following portions of the revenue realized from the tax imposed
26 upon individuals, trusts, and estates by subsections (a) and

1 (b) of Section 201 of this Act, minus deposits into the Income
2 Tax Refund Fund, into the Commitment to Human Services Fund:

3 (1) beginning February 1, 2015, and prior to February
4 1, 2025, 1/30; and

5 (2) beginning February 1, 2025, 1/26.

6 If the rate of tax imposed by subsection (a) and (b) of
7 Section 201 is reduced pursuant to Section 201.5 of this Act,
8 the Department shall not make the deposits required by this
9 subsection (g) on or after the effective date of the reduction.

10 (h) Deposits into the Tax Compliance and Administration
11 Fund. Beginning on the first day of the first calendar month to
12 occur on or after August 26, 2014 (the effective date of Public
13 Act 98-1098), each month the Department shall pay into the Tax
14 Compliance and Administration Fund, to be used, subject to
15 appropriation, to fund additional auditors and compliance
16 personnel at the Department, an amount equal to 1/12 of 5% of
17 the cash receipts collected during the preceding fiscal year by
18 the Audit Bureau of the Department from the tax imposed by
19 subsections (a), (b), (c), and (d) of Section 201 of this Act,
20 net of deposits into the Income Tax Refund Fund made from those
21 cash receipts.

22 (Source: P.A. 100-22, eff. 7-6-17; 100-23, eff. 7-6-17;
23 100-587, eff. 6-4-18; 100-621, eff. 7-20-18; 100-863, eff.
24 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81,
25 eff. 7-12-19.)

1 (Text of Section after amendment by P.A. 101-8)

2 Sec. 901. Collection authority.

3 (a) In general. The Department shall collect the taxes
4 imposed by this Act. The Department shall collect certified
5 past due child support amounts under Section 2505-650 of the
6 Department of Revenue Law of the Civil Administrative Code of
7 Illinois. Except as provided in subsections (b), (c), (e), (f),
8 (g), and (h) of this Section, money collected pursuant to
9 subsections (a) and (b) of Section 201 of this Act shall be
10 paid into the General Revenue Fund in the State treasury; money
11 collected pursuant to subsections (c) and (d) of Section 201 of
12 this Act shall be paid into the Personal Property Tax
13 Replacement Fund, a special fund in the State Treasury; and
14 money collected under Section 2505-650 of the Department of
15 Revenue Law of the Civil Administrative Code of Illinois shall
16 be paid into the Child Support Enforcement Trust Fund, a
17 special fund outside the State Treasury, or to the State
18 Disbursement Unit established under Section 10-26 of the
19 Illinois Public Aid Code, as directed by the Department of
20 Healthcare and Family Services.

21 (b) Local Government Distributive Fund. Beginning August
22 1, 2017 and continuing through January 31, 2021, the Treasurer
23 shall transfer each month from the General Revenue Fund to the
24 Local Government Distributive Fund an amount equal to the sum
25 of (i) 6.06% (10% of the ratio of the 3% individual income tax
26 rate prior to 2011 to the 4.95% individual income tax rate

1 after July 1, 2017) of the net revenue realized from the tax
2 imposed by subsections (a) and (b) of Section 201 of this Act
3 upon individuals, trusts, and estates during the preceding
4 month and (ii) 6.85% (10% of the ratio of the 4.8% corporate
5 income tax rate prior to 2011 to the 7% corporate income tax
6 rate after July 1, 2017) of the net revenue realized from the
7 tax imposed by subsections (a) and (b) of Section 201 of this
8 Act upon corporations during the preceding month. Beginning
9 February 1, 2021, the Treasurer shall transfer each month from
10 the General Revenue Fund to the Local Government Distributive
11 Fund an amount equal to the sum of (i) 5.32% of the net revenue
12 realized from the tax imposed by subsections (a) and (b) of
13 Section 201 of this Act upon individuals, trusts, and estates
14 during the preceding month and (ii) 6.16% of the net revenue
15 realized from the tax imposed by subsections (a) and (b) of
16 Section 201 of this Act upon corporations during the preceding
17 month. Net revenue realized for a month shall be defined as the
18 revenue from the tax imposed by subsections (a) and (b) of
19 Section 201 of this Act which is deposited in the General
20 Revenue Fund, the Education Assistance Fund, the Income Tax
21 Surcharge Local Government Distributive Fund, the Fund for the
22 Advancement of Education, and the Commitment to Human Services
23 Fund during the month minus the amount paid out of the General
24 Revenue Fund in State warrants during that same month as
25 refunds to taxpayers for overpayment of liability under the tax
26 imposed by subsections (a) and (b) of Section 201 of this Act.

1 Notwithstanding any provision of law to the contrary,
2 beginning on July 6, 2017 (the effective date of Public Act
3 100-23), those amounts required under this subsection (b) to be
4 transferred by the Treasurer into the Local Government
5 Distributive Fund from the General Revenue Fund shall be
6 directly deposited into the Local Government Distributive Fund
7 as the revenue is realized from the tax imposed by subsections
8 (a) and (b) of Section 201 of this Act.

9 For State fiscal year 2020 only, notwithstanding any
10 provision of law to the contrary, the total amount of revenue
11 and deposits under this Section attributable to revenues
12 realized during State fiscal year 2020 shall be reduced by 5%.

13 (b-5) Financially Distressed Cities Allocation. The
14 Department of Revenue shall certify to the Treasurer an amount
15 equal to:

16 (1) the amount that would have been distributed under
17 subsection (a) of Section 2 of the State Revenue Sharing
18 Act to all financially distressed cities, as that term is
19 defined in Section 8-12-3 of the Illinois Municipal Code,
20 if the Treasurer had transferred under subsection (b) to
21 the Local Government Distributive Fund a sum calculated
22 using (i) 10% of the net revenue realized from the tax
23 imposed by subsections (a) and (b) of Section 201 of this
24 Act upon individuals, trusts, and estates during the
25 preceding month and (ii) 10% of the net revenue realized
26 from the tax imposed by subsections (a) and (b) of Section

1 201 of this Act upon corporations during the preceding
2 month; and

3 (2) subtracting from the amount calculated under
4 paragraph (1) the amount distributed to all financially
5 distressed cities under subsection (a) of Section 2 of the
6 State Revenue Sharing Act during the current month.

7 Upon receipt of the certification from the Department of
8 Revenue, the Treasurer shall order transferred and the
9 Comptroller shall transfer from the General Revenue Fund to the
10 Local Government Distributive Fund the amount shown on the
11 certification.

12 However, nothing in this subsection shall reduce an amount
13 certified to the Comptroller under subsection (c) of Section
14 3-125 or subsection (b-5) of Section 4-118 of the Illinois
15 Pension Code for failure to transmit contributions required by
16 the financially distressed city to the Article 3 or Article 4
17 pension fund in its jurisdiction. The Comptroller shall
18 continue to deduct and remit the certified amount to the
19 Article 3 or Article 4 pension fund consistent with the
20 requirements of subsection (c) of Section 3-125 or subsection
21 (b-5) of Section 4-118 of the Illinois Pension Code. The
22 Comptroller shall continue to deduct and remit all funds
23 necessary to enforce the terms of existing settlement
24 agreements between a municipality designated a financially
25 distressed city and an Article 3 or Article 4 Pension Fund.

26 If for any reason the aggregate appropriations made

1 available are insufficient to meet the amount certified under
2 this subsection:

3 (1) The Governor shall submit to the General Assembly a
4 proposed budget for the amount certified under this
5 subsection from the General Revenue Fund to the Local
6 Government Distributive Fund for each fiscal year so that
7 the total General Revenue Fund proposed budget is no less
8 than the amount certified under this subsection. In
9 addition, the Governor shall specify the total amount of
10 funds to be transferred from the General Revenue Fund to
11 the Local Government Distributive Fund during the budget
12 year, which shall be no less than the amount certified
13 under this subsection. The Governor may submit a proposed
14 budget in which the total appropriated and transferred
15 amounts are less than the amount certified under this
16 subsection if the Governor declares in writing to the
17 General Assembly the reason for the lesser amounts.

18 (2) The General Assembly shall appropriate the amount
19 certified under this subsection from the General Revenue
20 Fund to the Local Government Distributive Fund for each
21 fiscal year so that the total General Revenue Fund
22 appropriation is no less than the amount certified under
23 this subsection. In addition, the General Assembly shall
24 legislatively transfer from the General Revenue Fund to the
25 Local Government Distributive Fund for the fiscal year a
26 total amount that is no less than the amount certified

1 under this subsection. The General Assembly may
2 appropriate or transfer lesser amounts if it declares by
3 Joint Resolution the reason for the lesser amounts.

4 (c) Deposits Into Income Tax Refund Fund.

5 (1) Beginning on January 1, 1989 and thereafter, the
6 Department shall deposit a percentage of the amounts
7 collected pursuant to subsections (a) and (b) (1), (2), and
8 (3) of Section 201 of this Act into a fund in the State
9 treasury known as the Income Tax Refund Fund. Beginning
10 with State fiscal year 1990 and for each fiscal year
11 thereafter, the percentage deposited into the Income Tax
12 Refund Fund during a fiscal year shall be the Annual
13 Percentage. For fiscal year 2011, the Annual Percentage
14 shall be 8.75%. For fiscal year 2012, the Annual Percentage
15 shall be 8.75%. For fiscal year 2013, the Annual Percentage
16 shall be 9.75%. For fiscal year 2014, the Annual Percentage
17 shall be 9.5%. For fiscal year 2015, the Annual Percentage
18 shall be 10%. For fiscal year 2018, the Annual Percentage
19 shall be 9.8%. For fiscal year 2019, the Annual Percentage
20 shall be 9.7%. For fiscal year 2020, the Annual Percentage
21 shall be 9.5%. For all other fiscal years, the Annual
22 Percentage shall be calculated as a fraction, the numerator
23 of which shall be the amount of refunds approved for
24 payment by the Department during the preceding fiscal year
25 as a result of overpayment of tax liability under
26 subsections (a) and (b) (1), (2), and (3) of Section 201 of

1 this Act plus the amount of such refunds remaining approved
2 but unpaid at the end of the preceding fiscal year, minus
3 the amounts transferred into the Income Tax Refund Fund
4 from the Tobacco Settlement Recovery Fund, and the
5 denominator of which shall be the amounts which will be
6 collected pursuant to subsections (a) and (b) (1), (2), and
7 (3) of Section 201 of this Act during the preceding fiscal
8 year; except that in State fiscal year 2002, the Annual
9 Percentage shall in no event exceed 7.6%. The Director of
10 Revenue shall certify the Annual Percentage to the
11 Comptroller on the last business day of the fiscal year
12 immediately preceding the fiscal year for which it is to be
13 effective.

14 (2) Beginning on January 1, 1989 and thereafter, the
15 Department shall deposit a percentage of the amounts
16 collected pursuant to subsections (a) and (b) (6), (7), and
17 (8), (c) and (d) of Section 201 of this Act into a fund in
18 the State treasury known as the Income Tax Refund Fund.
19 Beginning with State fiscal year 1990 and for each fiscal
20 year thereafter, the percentage deposited into the Income
21 Tax Refund Fund during a fiscal year shall be the Annual
22 Percentage. For fiscal year 2011, the Annual Percentage
23 shall be 17.5%. For fiscal year 2012, the Annual Percentage
24 shall be 17.5%. For fiscal year 2013, the Annual Percentage
25 shall be 14%. For fiscal year 2014, the Annual Percentage
26 shall be 13.4%. For fiscal year 2015, the Annual Percentage

1 shall be 14%. For fiscal year 2018, the Annual Percentage
2 shall be 17.5%. For fiscal year 2019, the Annual Percentage
3 shall be 15.5%. For fiscal year 2020, the Annual Percentage
4 shall be 14.25%. For all other fiscal years, the Annual
5 Percentage shall be calculated as a fraction, the numerator
6 of which shall be the amount of refunds approved for
7 payment by the Department during the preceding fiscal year
8 as a result of overpayment of tax liability under
9 subsections (a) and (b)(6), (7), and (8), (c) and (d) of
10 Section 201 of this Act plus the amount of such refunds
11 remaining approved but unpaid at the end of the preceding
12 fiscal year, and the denominator of which shall be the
13 amounts which will be collected pursuant to subsections (a)
14 and (b)(6), (7), and (8), (c) and (d) of Section 201 of
15 this Act during the preceding fiscal year; except that in
16 State fiscal year 2002, the Annual Percentage shall in no
17 event exceed 23%. The Director of Revenue shall certify the
18 Annual Percentage to the Comptroller on the last business
19 day of the fiscal year immediately preceding the fiscal
20 year for which it is to be effective.

21 (3) The Comptroller shall order transferred and the
22 Treasurer shall transfer from the Tobacco Settlement
23 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
24 in January, 2001, (ii) \$35,000,000 in January, 2002, and
25 (iii) \$35,000,000 in January, 2003.

26 (d) Expenditures from Income Tax Refund Fund.

1 (1) Beginning January 1, 1989, money in the Income Tax
2 Refund Fund shall be expended exclusively for the purpose
3 of paying refunds resulting from overpayment of tax
4 liability under Section 201 of this Act and for making
5 transfers pursuant to this subsection (d).

6 (2) The Director shall order payment of refunds
7 resulting from overpayment of tax liability under Section
8 201 of this Act from the Income Tax Refund Fund only to the
9 extent that amounts collected pursuant to Section 201 of
10 this Act and transfers pursuant to this subsection (d) and
11 item (3) of subsection (c) have been deposited and retained
12 in the Fund.

13 (3) As soon as possible after the end of each fiscal
14 year, the Director shall order transferred and the State
15 Treasurer and State Comptroller shall transfer from the
16 Income Tax Refund Fund to the Personal Property Tax
17 Replacement Fund an amount, certified by the Director to
18 the Comptroller, equal to the excess of the amount
19 collected pursuant to subsections (c) and (d) of Section
20 201 of this Act deposited into the Income Tax Refund Fund
21 during the fiscal year over the amount of refunds resulting
22 from overpayment of tax liability under subsections (c) and
23 (d) of Section 201 of this Act paid from the Income Tax
24 Refund Fund during the fiscal year.

25 (4) As soon as possible after the end of each fiscal
26 year, the Director shall order transferred and the State

1 Treasurer and State Comptroller shall transfer from the
2 Personal Property Tax Replacement Fund to the Income Tax
3 Refund Fund an amount, certified by the Director to the
4 Comptroller, equal to the excess of the amount of refunds
5 resulting from overpayment of tax liability under
6 subsections (c) and (d) of Section 201 of this Act paid
7 from the Income Tax Refund Fund during the fiscal year over
8 the amount collected pursuant to subsections (c) and (d) of
9 Section 201 of this Act deposited into the Income Tax
10 Refund Fund during the fiscal year.

11 (4.5) As soon as possible after the end of fiscal year
12 1999 and of each fiscal year thereafter, the Director shall
13 order transferred and the State Treasurer and State
14 Comptroller shall transfer from the Income Tax Refund Fund
15 to the General Revenue Fund any surplus remaining in the
16 Income Tax Refund Fund as of the end of such fiscal year;
17 excluding for fiscal years 2000, 2001, and 2002 amounts
18 attributable to transfers under item (3) of subsection (c)
19 less refunds resulting from the earned income tax credit.

20 (5) This Act shall constitute an irrevocable and
21 continuing appropriation from the Income Tax Refund Fund
22 for the purpose of paying refunds upon the order of the
23 Director in accordance with the provisions of this Section.

24 (e) Deposits into the Education Assistance Fund and the
25 Income Tax Surcharge Local Government Distributive Fund. On
26 July 1, 1991, and thereafter, of the amounts collected pursuant

1 to subsections (a) and (b) of Section 201 of this Act, minus
2 deposits into the Income Tax Refund Fund, the Department shall
3 deposit 7.3% into the Education Assistance Fund in the State
4 Treasury. Beginning July 1, 1991, and continuing through
5 January 31, 1993, of the amounts collected pursuant to
6 subsections (a) and (b) of Section 201 of the Illinois Income
7 Tax Act, minus deposits into the Income Tax Refund Fund, the
8 Department shall deposit 3.0% into the Income Tax Surcharge
9 Local Government Distributive Fund in the State Treasury.
10 Beginning February 1, 1993 and continuing through June 30,
11 1993, of the amounts collected pursuant to subsections (a) and
12 (b) of Section 201 of the Illinois Income Tax Act, minus
13 deposits into the Income Tax Refund Fund, the Department shall
14 deposit 4.4% into the Income Tax Surcharge Local Government
15 Distributive Fund in the State Treasury. Beginning July 1,
16 1993, and continuing through June 30, 1994, of the amounts
17 collected under subsections (a) and (b) of Section 201 of this
18 Act, minus deposits into the Income Tax Refund Fund, the
19 Department shall deposit 1.475% into the Income Tax Surcharge
20 Local Government Distributive Fund in the State Treasury.

21 (f) Deposits into the Fund for the Advancement of
22 Education. Beginning February 1, 2015, the Department shall
23 deposit the following portions of the revenue realized from the
24 tax imposed upon individuals, trusts, and estates by
25 subsections (a) and (b) of Section 201 of this Act, minus
26 deposits into the Income Tax Refund Fund, into the Fund for the

1 Advancement of Education:

2 (1) beginning February 1, 2015, and prior to February
3 1, 2025, 1/30; and

4 (2) beginning February 1, 2025, 1/26.

5 If the rate of tax imposed by subsection (a) and (b) of
6 Section 201 is reduced pursuant to Section 201.5 of this Act,
7 the Department shall not make the deposits required by this
8 subsection (f) on or after the effective date of the reduction.

9 (g) Deposits into the Commitment to Human Services Fund.
10 Beginning February 1, 2015, the Department shall deposit the
11 following portions of the revenue realized from the tax imposed
12 upon individuals, trusts, and estates by subsections (a) and
13 (b) of Section 201 of this Act, minus deposits into the Income
14 Tax Refund Fund, into the Commitment to Human Services Fund:

15 (1) beginning February 1, 2015, and prior to February
16 1, 2025, 1/30; and

17 (2) beginning February 1, 2025, 1/26.

18 If the rate of tax imposed by subsection (a) and (b) of
19 Section 201 is reduced pursuant to Section 201.5 of this Act,
20 the Department shall not make the deposits required by this
21 subsection (g) on or after the effective date of the reduction.

22 (h) Deposits into the Tax Compliance and Administration
23 Fund. Beginning on the first day of the first calendar month to
24 occur on or after August 26, 2014 (the effective date of Public
25 Act 98-1098), each month the Department shall pay into the Tax
26 Compliance and Administration Fund, to be used, subject to

1 appropriation, to fund additional auditors and compliance
2 personnel at the Department, an amount equal to 1/12 of 5% of
3 the cash receipts collected during the preceding fiscal year by
4 the Audit Bureau of the Department from the tax imposed by
5 subsections (a), (b), (c), and (d) of Section 201 of this Act,
6 net of deposits into the Income Tax Refund Fund made from those
7 cash receipts.

8 (Source: P.A. 100-22, eff. 7-6-17; 100-23, eff. 7-6-17;
9 100-587, eff. 6-4-18; 100-621, eff. 7-20-18; 100-863, eff.
10 8-14-18; 100-1171, eff. 1-4-19; 101-8, see Section 99 for
11 effective date; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
12 revised 10-1-19.)

13 Section 15. The Illinois Municipal Code is amended by
14 changing Sections 8-12-3, 8-12-4, 8-12-10, 8-12-18, and
15 8-12-24 as follows:

16 (65 ILCS 5/8-12-3) (from Ch. 24, par. 8-12-3)

17 Sec. 8-12-3. As used in this Division:

18 (1) "Authority" means the "(Name of Financially Distressed
19 City) Financial Advisory Authority".

20 (2) "Financially distressed city" means any municipality
21 which: ~~is a home rule unit and which~~ (i) is a home rule unit
22 certified by the Department of Revenue as being in the highest
23 5% of all home rule municipalities in terms of the aggregate of
24 the rate per cent of all taxes levied pursuant to statute or

1 ordinance upon all taxable property of the municipality and as
2 being in the lowest 5% of all home rule municipalities in terms
3 of per capita tax yield, or is a non-home rule unit certified
4 by the Department of Revenue as being in the highest 5% of all
5 non-home rule municipalities in terms of the aggregate of the
6 rate per cent of all taxes levied pursuant to statute or
7 ordinance upon all taxable property of the municipality and as
8 being in the lowest 5% of all non-home rule municipalities in
9 terms of per capita tax yield; and (ii) is designated by joint
10 resolution of the General Assembly as a financially distressed
11 city.

12 (3) "Home rule municipality" means a municipality which is
13 a home rule unit as provided in Section 6 of Article VII of the
14 Illinois Constitution.

15 (4) "Budget" means an annual appropriation ordinance or
16 annual budget as described in Division 2 of Article 8, as from
17 time to time in effect in the financially distressed city.

18 (5) "Chairperson" means the chairperson of the Authority
19 appointed pursuant to Section 8-12-7.

20 (6) "Financial Plan" means the financially distressed
21 city's financial plan as developed pursuant to Section 8-12-15,
22 as from time to time in effect.

23 (7) "Fiscal year" means the fiscal year of the financially
24 distressed city.

25 (8) "Obligations" means bonds, notes or other evidence of
26 indebtedness issued by the Illinois Finance Authority in

1 connection with the provision of financial aid to a financially
2 distressed city pursuant to this Division and applicable
3 provisions of the Illinois Finance Authority Act.

4 (Source: P.A. 93-205, eff. 1-1-04.)

5 (65 ILCS 5/8-12-4) (from Ch. 24, par. 8-12-4)

6 Sec. 8-12-4. In order to receive assistance as provided in
7 this Division, a ~~home-rule~~ municipality shall first, by
8 ordinance passed by its corporate authorities, request (i) that
9 the Department of Revenue certify that it is in the highest 5%
10 of all home rule or non-home rule municipalities, respectively,
11 in terms of the aggregate of the rate per cent of all taxes
12 levied pursuant to statute or ordinance upon all taxable
13 property of the municipality and in the lowest 5% of all home
14 rule or non-home rule municipalities, respectively, in terms of
15 per capita tax yield, and (ii) that the General Assembly by
16 joint resolution designate it as a financially distressed city.
17 A ~~home-rule~~ municipality which is so certified and designated
18 as a financially distressed city and which desires to receive
19 assistance as provided in this Division shall, by ordinance
20 passed by its corporate authorities, request that a financial
21 advisory authority be appointed for the municipality and that
22 the municipality ~~city and that the city~~ receive assistance as
23 provided in this Division, and shall file a certified copy of
24 that ordinance with the Governor, with the Clerk of the House
25 of Representatives and with the Secretary of the Senate. Upon

1 the filing of the certified copies of that ordinance as
2 required by this Section this Division and all of its
3 provisions shall then and thereafter be applicable to the
4 financially distressed city, shall govern and control its
5 financial accounting, budgeting and taxing procedures and
6 practices, and, subject to the limitations of subsection (a) of
7 Section 8-12-22, shall remain in full force and effect with
8 respect thereto until such time as the financial advisory
9 authority established under Section 8-12-5 is abolished as
10 provided in subsection (c) of Section 8-12-22.

11 (Source: P.A. 86-1211.)

12 (65 ILCS 5/8-12-10) (from Ch. 24, par. 8-12-10)

13 Sec. 8-12-10. Any State agency or unit of local government,
14 within its respective function, may render such services and
15 technical assistance to the Authority as the Authority may
16 request. Upon the Authority's request any such agency or unit
17 of local government may transfer to the Authority such officers
18 and employees as the Authority and any such agency or unit of
19 local government deem necessary to carry out the Authority's
20 functions and duties. Officers and employees so transferred
21 shall not lose or forfeit their employment status or rights.

22 (Source: P.A. 86-1211.)

23 (65 ILCS 5/8-12-18) (from Ch. 24, par. 8-12-18)

24 Sec. 8-12-18. (a) The financially distressed city shall

1 meet its debt service obligations as they become due. No other
2 expenditure shall be made by the city unless it is consistent
3 with the Financial Plan and Budget in effect. The State shall
4 not reduce revenues or impose additional costs affecting the
5 financially distressed city, including, but not limited to,
6 deductions from warrants under Section 10.05 of the State
7 Comptroller Act, unless it is consistent with the Financial
8 Plan and Budget in effect. However, nothing in this subsection
9 shall reduce an amount certified to the Comptroller under
10 subsection (c) of Section 3-125 or subsection (b-5) of Section
11 4-118 of the Illinois Pension Code for failure to transmit
12 contributions required by the financially distressed city to
13 the Article 3 or Article 4 pension fund in its jurisdiction.
14 The Comptroller shall continue to deduct and remit the
15 certified amount to the Article 3 or Article 4 pension fund
16 consistent with the requirements of subsection (c) of Section
17 3-125 or subsection (b-5) of Section 4-118 of the Illinois
18 Pension Code. The Comptroller shall continue to deduct and
19 remit all funds necessary to enforce the terms of existing
20 settlement agreements between a municipality designated a
21 financially distressed city and an Article 3 or Article 4
22 Pension Fund. The Department of Revenue shall notify the
23 Comptroller when a financially distressed city shall not have
24 revenue offsets or deductions from warrants under Section 10.05
25 of the State Comptroller Act.

26 This subsection does not limit the Department of Revenue's

1 authority to reduce revenues to correct an error.

2 (b) State mandates enacted while a municipality is
3 designated as a financially distressed city that would cause
4 the municipality to incur additional costs are not valid or
5 enforceable against the municipality during the period when the
6 municipality is under the financially distressed city
7 designation.

8 (Source: P.A. 86-1211.)

9 (65 ILCS 5/8-12-24) (from Ch. 24, par. 8-12-24)

10 Sec. 8-12-24. A municipality ~~home rule unit~~ which is a
11 financially distressed city to which this Division is
12 applicable as provided in Section 8-12-4 may not employ
13 financial or fiscal accounting or budgetary procedures or
14 systems, nor place into effect any Financial Plan or Budget,
15 nor enter into any contract or make any expenditure, nor
16 otherwise conduct its financial and fiscal affairs or take
17 other action in a manner inconsistent with the provisions of
18 this Division, until such time as the powers and
19 responsibilities of the Authority are terminated as provided in
20 Section 8-12-22. This Section is a limitation under subsection
21 (i) of Section 6 of Article VII of the Illinois Constitution on
22 the concurrent exercise by home rule units which are
23 financially distressed cities to which this Division is
24 applicable as provided in Section 8-12-4 of powers and
25 functions exercised by the State.

1 (Source: P.A. 86-1211.)

2 Section 95. No acceleration or delay. Where this Act makes
3 changes in a statute that is represented in this Act by text
4 that is not yet or no longer in effect (for example, a Section
5 represented by multiple versions), the use of that text does
6 not accelerate or delay the taking effect of (i) the changes
7 made by this Act or (ii) provisions derived from any other
8 Public Act.

9 Section 99. Effective date. This Act takes effect January
10 1, 2021.

1 INDEX

2 Statutes amended in order of appearance

3	30 ILCS 115/2	from Ch. 85, par. 612
4	35 ILCS 5/901	
5	65 ILCS 5/8-12-3	from Ch. 24, par. 8-12-3
6	65 ILCS 5/8-12-4	from Ch. 24, par. 8-12-4
7	65 ILCS 5/8-12-10	from Ch. 24, par. 8-12-10
8	65 ILCS 5/8-12-18	from Ch. 24, par. 8-12-18
9	65 ILCS 5/8-12-24	from Ch. 24, par. 8-12-24