



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

**HB4415**

Introduced 2/3/2020, by Rep. Anthony DeLuca

#### SYNOPSIS AS INTRODUCED:

30 ILCS 805/6	from Ch. 85, par. 2206
30 ILCS 805/8	from Ch. 85, par. 2208
30 ILCS 805/9.2 new	

Amends the State Mandates Act. Provides that any State mandate regarding any subject matter implemented on or after the effective date of this amendatory Act that necessitates additional expenditures from local government revenues shall be void and unenforceable unless the General Assembly makes necessary appropriations to implement that mandate. Provides that the failure of the General Assembly to make necessary appropriations shall relieve the local government of the obligation to implement any State mandate. Makes conforming. Effective immediately.

LRB101 16537 RJF 65921 b

1 AN ACT concerning finance.

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

4 Section 5. The State Mandates Act is amended by changing  
5 Sections 6 and 8 and by adding Section 9.2 as follows:

6 (30 ILCS 805/6) (from Ch. 85, par. 2206)

7 Sec. 6. State Reimbursement to Local Government For  
8 Increased Costs Arising From Certain Mandates. (a) Any  
9 increased costs accruing to local governments as a direct  
10 result of mandates dealing with the organization and structure  
11 of local government or due process mandates, as defined in  
12 subsections (c) and (d), respectively, of Section 3 above, are  
13 not reimbursable by the State.

14 (b) At least 50%, but not more than 100% of the increase in  
15 costs of a local government directly attributable to a service  
16 mandate as defined in subsection (f) of Section 3 enacted by  
17 the General Assembly or established administratively after the  
18 effective date of this Act shall be reimbursed by the State  
19 unless there is in existence at the time of such enactment a  
20 program of State aid for the service affected by the mandate  
21 whereunder the non-local share for any participating local  
22 government is 50% or greater and where the increased costs  
23 arising under the mandate constitute allowable expenditures

1 under the aid program. Where all or part of the increased costs  
2 are met through federal or other external aid, only the net  
3 increase to the local government shall be included in the base  
4 against which the amount of State reimbursement is to be  
5 computed.

6 (c) 100% of the loss in revenue of a local government  
7 directly attributable to a mandated classification or  
8 exemption of property for purposes of ad valorem real property  
9 taxation enacted after the effective date of this Act shall be  
10 reimbursed by the State. The loss of revenue does not include  
11 potential revenue from property of a type which was not being  
12 assessed and taxed on January 1, 1980.

13 (d) Except for a State mandate that affects personnel  
14 qualifications for local employees, the salaries and wages of  
15 which are financed under a State program, and except as  
16 provided in subsection (e) below, any personnel mandate as  
17 defined in subsection (h) of Section 3 above enacted by the  
18 General Assembly or established administratively after the  
19 effective date of this Act shall be reimbursed by the State to  
20 the extent of increased costs incurred by local governments  
21 directly attributable to such mandate.

22 (e) All of the increased costs of a local government  
23 directly attributable to a mandated increase in public employee  
24 retirement benefits which is enacted after the effective date  
25 of this Act and which has the effect of elevating retirement  
26 benefits of local government employees shall be reimbursed by

1 the State; except that any increased costs of a local  
2 government attributable to Public Act 83-152, 83-374, 83-375,  
3 83-528, 83-558, 83-661, 83-664, 83-737, 83-772, 83-773,  
4 83-780, 83-792, 83-793, 83-802, 83-810, 83-812, 83-823, 83-827  
5 or 83-869 are not reimbursable by the State.

6 (f) After the effective date of this Act, any bill filed  
7 and any amended bill that creates or enlarges a State mandate  
8 of the type specified in subsections (f), (g) and (h) of  
9 Section 3, shall have provided and identified for it an  
10 appropriation of an amount necessary to provide the  
11 reimbursement specified above unless a statement, stating the  
12 specific reasons for such exclusion is set out in the bill or  
13 amendment as provided in subsection (a) of Section 8.

14 (g) If a local government or combination of local  
15 governments has been providing a service at its option which is  
16 subsequently mandated by the State, the State shall pay them  
17 for the subsequent costs of such program and the local  
18 government or governments shall proportionately reduce its or  
19 their property tax extensions by the amount that the State  
20 payment replaces property tax revenues which were being  
21 expended on such service. However, for purposes of calculating  
22 a school district's State aid, no district's operating tax rate  
23 shall be decreased as a result of reimbursement under this Act.

24 (h) Any increased costs accruing to a local government as a  
25 direct result of the requirements of the Steel Products  
26 Procurement Act are not reimbursable by the State.

1       (i) The provisions of subsections (a) through (h) shall  
2       apply to State mandates implemented prior to the effective date  
3       of this amendatory Act of the 101st General Assembly. Beginning  
4       on and after the effective date of this amendatory Act of the  
5       101st General Assembly, any State mandate regarding any subject  
6       matter that necessitates additional expenditures from local  
7       government revenues shall be appropriated for and reimbursed as  
8       provided under Section 9.2.

9       (Source: P.A. 83-1362.)

10       (30 ILCS 805/8) (from Ch. 85, par. 2208)

11       Sec. 8. Exclusions, reimbursement application, review,  
12       appeals, and adjudication.

13       (a) Exclusions: Any of the following circumstances  
14       inherent to, or associated with, a mandate shall exclude the  
15       State from reimbursement liability under this Act. If the  
16       mandate (1) accommodates a request from local governments or  
17       organizations thereof; (2) imposes additional duties of a  
18       nature which can be carried out by existing staff and  
19       procedures at no appreciable net cost increase; (3) creates  
20       additional costs but also provides offsetting savings  
21       resulting in no aggregate increase in net costs; (4) imposes a  
22       cost that is wholly or largely recovered from Federal, State or  
23       other external financial aid; (5) imposes additional annual net  
24       costs of less than \$1,000 for each of the several local  
25       governments affected or less than \$50,000, in the aggregate,

1 for all local governments affected.

2 The failure of the General Assembly to make necessary  
3 appropriations shall relieve the local government of the  
4 obligation to implement any service mandates, tax exemption  
5 mandates, and personnel mandates, as specified in Section 6,  
6 subsections (b), (c), (d) and (e), unless the exclusion  
7 provided for in this Section are explicitly stated in the Act  
8 establishing the mandate. In the event that funding is not  
9 provided for a State-mandated program by the General Assembly,  
10 the local government may implement or continue the program upon  
11 approval of its governing body. If the local government  
12 approves the program and funding is subsequently provided, the  
13 State shall reimburse the local governments only for costs  
14 incurred subsequent to the funding.

15 (a-5) The provisions of subsection (a) excluding the State  
16 from reimbursement liability under this Act shall not apply to  
17 any State mandate implemented on or after the effective date of  
18 this amendatory Act of the 101st General Assembly, and all  
19 subsequent State mandates shall be appropriated for as provided  
20 under Section 9.2.

21 (b) Reimbursement Estimation and Appropriation Procedure.

22 (1) When a bill is introduced in the General Assembly,  
23 the Legislative Reference Bureau, hereafter referred to as  
24 the Bureau, shall determine whether such bill may require  
25 reimbursement to local governments pursuant to this Act.  
26 The Bureau shall make such determination known in the

1 Legislative Synopsis and Digest.

2 In making the determination required by this  
3 subsection (b) the Bureau shall disregard any provision in  
4 a bill which would make inoperative the reimbursement  
5 requirements of Section 6 above, including an express  
6 exclusion of the applicability of this Act, and shall make  
7 the determination irrespective of any such provision.

8 (2) Any bill or amended bill which creates or expands a  
9 State mandate shall be subject to the provisions of "An Act  
10 requiring fiscal notes in relation to certain bills",  
11 approved June 4, 1965, as amended. The fiscal notes for  
12 such bills or amended bills shall include estimates of the  
13 costs to local government and the costs of any  
14 reimbursement required under this Act. In the case of bills  
15 having a potential fiscal impact on units of local  
16 government, the fiscal note shall be prepared by the  
17 Department. In the case of bills having a potential fiscal  
18 impact on school districts, the fiscal note shall be  
19 prepared by the State Superintendent of Education. In the  
20 case of bills having a potential fiscal impact on community  
21 college districts, the fiscal note shall be prepared by the  
22 Illinois Community College Board. Such fiscal note shall  
23 accompany the bill that requires State reimbursement and  
24 shall be prepared prior to any final action on such a bill  
25 by the assigned committee. However, if a fiscal note is not  
26 filed by the appropriate agency within 30 days of

1 introduction of a bill, the bill can be heard in committee  
2 and advanced to the order of second reading. The bill shall  
3 then remain on second reading until a fiscal note is filed.  
4 A bill discharged from committee shall also remain on  
5 second reading until a fiscal note is provided by the  
6 appropriate agency.

7 (3) The estimate required by paragraph (2) above, shall  
8 include the amount estimated to be required during the  
9 first fiscal year of a bill's operation in order to  
10 reimburse local governments pursuant to Section 6, for  
11 costs mandated by such bill. In the event that the  
12 effective date of such a bill is not the first day of the  
13 fiscal year the estimate shall also include the amount  
14 estimated to be required for reimbursement for the next  
15 following full fiscal year.

16 (4) For the initial fiscal year, reimbursement funds  
17 shall be provided as follows: (i) any statute mandating  
18 such costs shall have a companion appropriation bill, and  
19 (ii) any executive order mandating such costs shall be  
20 accompanied by a bill to appropriate the funds therefor,  
21 or, alternatively an appropriation for such funds shall be  
22 included in the executive budget for the next following  
23 fiscal year.

24 In subsequent fiscal years appropriations for such  
25 costs shall be included in the Governor's budget or  
26 supplemental appropriation bills.



1 (c) Reimbursement Application and Disbursement Procedure.

2 (1) For the initial fiscal year during which  
3 reimbursement is authorized, each local government, or  
4 more than one local government wishing to join in filing a  
5 single claim, believing itself to be entitled to  
6 reimbursement under this Act shall submit to the  
7 Department, State Superintendent of Education or Illinois  
8 Community College Board within 60 days of the effective  
9 date of the mandate a claim for reimbursement accompanied  
10 by its estimate of the increased costs required by the  
11 mandate for the balance of the fiscal year. The Department,  
12 State Superintendent of Education or Illinois Community  
13 College Board shall review such claim and estimate, shall  
14 apportion the claim into 3 equal installments and shall  
15 direct the Comptroller to pay the installments at equal  
16 intervals throughout the remainder of the fiscal year from  
17 the funds appropriated for such purposes, provided that the  
18 Department, State Superintendent of Education or Illinois  
19 Community College Board may (i) audit the records of any  
20 local government to verify the actual amount of the  
21 mandated cost, and (ii) reduce any claim determined to be  
22 excessive or unreasonable.

23 (2) For the subsequent fiscal years, local governments  
24 shall submit claims as specified above on or before October  
25 1 of each year. The Department, State Superintendent of  
26 Education or Illinois Community College Board shall

1 apportion the claims into 3 equal installments and shall  
2 direct the Comptroller to pay the first installment upon  
3 approval of the claims, with subsequent installments to  
4 follow on January 1 and March 1, such claims to be paid  
5 from funds appropriated therefor, provided that the  
6 Department, State Superintendent of Education or Illinois  
7 Community College Board (i) may audit the records of any  
8 local governments to verify the actual amount of the  
9 mandated cost, (ii) may reduce any claim, determined to be  
10 excessive or unreasonable, and (iii) shall adjust the  
11 payment to correct for any underpayments or overpayments  
12 which occurred in the previous fiscal year.

13 (3) Any funds received by a local government pursuant  
14 to this Act may be used for any public purpose.

15 If the funds appropriated for reimbursement of the  
16 costs of local government resulting from the creation or  
17 expansion of a State mandate are less than the total of the  
18 approved claims, the amount appropriated shall be prorated  
19 among the local governments having approved claims.

20 (d) Appeals and Adjudication.

21 (1) Local governments may appeal determinations made  
22 by State agencies acting pursuant to subsection (c) above.  
23 The appeal must be submitted to the State Mandates Board of  
24 Review created by Section 9.1 of this Act within 60 days  
25 following the date of receipt of the determination being  
26 appealed. The appeal must include evidence as to the extent

1 to which the mandate has been carried out in an effective  
2 manner and executed without recourse to standards of  
3 staffing or expenditure higher than specified in the  
4 mandatory statute, if such standards are specified in the  
5 statute. The State Mandates Board of Review, after  
6 reviewing the evidence submitted to it, may increase or  
7 reduce the amount of a reimbursement claim. The decision of  
8 the State Mandates Board of Review shall be final subject  
9 to judicial review. However, if sufficient funds have not  
10 been appropriated, the Department shall notify the General  
11 Assembly of such cost, and appropriations for such costs  
12 shall be included in a supplemental appropriation bill.

13 (2) A local government may also appeal directly to the  
14 State Mandates Board of Review in those situations in which  
15 the Department of Commerce and Economic Opportunity does  
16 not act upon the local government's application for  
17 reimbursement or request for mandate determination  
18 submitted under this Act. The appeal must include evidence  
19 that the application for reimbursement or request for  
20 mandate determination was properly filed and should have  
21 been reviewed by the Department.

22 An appeal may be made to the Board if the Department  
23 does not respond to a local government's application for  
24 reimbursement or request for mandate determination within  
25 120 days after filing the application or request. In no  
26 case, however, may an appeal be brought more than one year

1 after the application or request is filed with the  
2 Department.

3 (Source: P.A. 94-793, eff. 5-19-06.)

4 (30 ILCS 805/9.2 new)

5 Sec. 9.2. Unfunded State mandates prohibited.

6 Notwithstanding any provision of law to the contrary, any State  
7 mandate regarding any subject matter implemented on or after  
8 the effective date of this amendatory Act of the 101st General  
9 Assembly that necessitates additional expenditures from local  
10 government revenues shall be void and unenforceable unless the  
11 General Assembly makes necessary appropriations to implement  
12 that mandate. The failure of the General Assembly to make  
13 necessary appropriations shall relieve the local government of  
14 the obligation to implement any State mandate.

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.