

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
5 changing Section 11-139-12 as follows:

6 (65 ILCS 5/11-139-12) (from Ch. 24, par. 11-139-12)

7 Sec. 11-139-12. For the purpose of acquiring,
8 constructing, extending, or improving any combined waterworks
9 and sewerage system under this Division 139, or any property
10 necessary or appropriate therefor, any municipality has the
11 right of eminent domain, as provided by the Eminent Domain Act.

12 The fair cash market value of an existing waterworks and
13 sewerage system, or portion thereof, acquired under this
14 Division 139, which existing system is a special use property,
15 may be determined by considering Section 15 of Article I of the
16 Illinois Constitution, the Eminent Domain Act, and the Uniform
17 Standards of Professional Appraisal Practice and giving due
18 consideration to the income, cost, and market approaches to
19 valuation based on the type and character of the assets being
20 acquired. In making the valuation determination, the
21 historical and projected revenue attributable to the assets,
22 the costs of the assets, and the condition and remaining useful
23 life of the assets may be considered while giving due account

1 to the special use nature of the property as used for water and
2 sewerage purposes. ~~in accordance with the following valuation~~
3 ~~principles.~~

4 Additionally, in determining the fair cash market value of
5 existing utility facilities, whether real or personal,
6 consideration may be given to the depreciated value of all
7 facilities and fixtures constructed by the utility company and
8 payments made by the utility company in connection with the
9 acquisition or donation of any waterworks or sanitary sewage
10 system.

11 ~~The fair cash market value of existing facilities, whether~~
12 ~~real or personal, may be determined by utilizing the net~~
13 ~~earnings which are attributable to the facilities in question~~
14 ~~for the preceding fiscal year on the date the condemnation~~
15 ~~petition is filed, over the remaining useful life of the~~
16 ~~facilities. Said earnings may be capitalized under an annuity~~
17 ~~capitalization method and discounted to present value. The fair~~
18 ~~cash market value of any extensions, additions or improvements~~
19 ~~of the existing system made subsequent to the date that the~~
20 ~~condemnation petition is filed may be determined by utilizing~~
21 ~~the probable net earnings attributable to the facilities in~~
22 ~~question over the remaining life of the facilities. The~~
23 ~~probable earnings may be capitalized under an annuity~~
24 ~~capitalization method and discounted to present value.~~

25 ~~The value of the land and easements upon which the~~
26 ~~facilities are situated may be determined in accordance with~~

1 ~~the foregoing principles, giving due account to the special use~~
2 ~~of the property for water and sewerage purposes.~~

3 For the purposes of this Section no prior approval of the
4 Illinois Commerce Commission, or any other body having
5 jurisdiction over the existing system, shall be required.

6 (Source: P.A. 94-1055, eff. 1-1-07.)

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