

AN ACT concerning local government.

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

Section 5. The Township Code is amended by changing Sections 205-140 and 205-145 and by adding Section 205-141 as follows:

(60 ILCS 1/205-140)

Sec. 205-140. Initiating proceedings for particular locality; rates and charges; lien.

(a) This Section applies to townships to which Section 205-141 does not apply.

(a-1) ~~(a)~~ A township board may initiate proceedings under Sections 205-130 through 205-150 in the manner provided by Section 205-20.

(b) The township board may establish the rate or charge to each user of the waterworks system or sewerage system, or combined waterworks and sewerage system, or improvement or extension at a rate that will be sufficient to pay the principal and interest of any bonds issued to pay the cost of the system, improvement, or extension and the maintenance and operation of the system, improvement, or extension and may provide an adequate depreciation fund for the bonds. Charges or rates shall be established, revised, and maintained by

ordinance and become payable as the township board determines by ordinance.

(c) The charges or rates are liens upon the real estate upon or for which sewerage service is supplied whenever the charges or rates become delinquent as provided by the ordinance of the board fixing a delinquency date.

(d) Notwithstanding any provision of law to the contrary, the township shall conduct a cost study regarding the connection charge of the township:

(1) before the township increases or creates a connection charge;

(2) upon the request of the supervisor or a majority of the township board of the township;

(3) upon the request of a majority of the mayors or village presidents of the municipalities located within or substantially within the township or township's facility planning area; or

(4) upon the filing with the township board of a petition signed by 10% or more of the customers who have paid connection charges to the township in the previous 5 calendar years.

The cost study shall be conducted by an independent entity within 6 months of action taken under paragraphs (1), (2), (3), or (4) of this subsection (d). For purposes of subsections (d) and (e), the term "independent entity" shall mean an engineering firm that has not entered into a contract with any

State agency, unit of local government, or non-governmental entity for goods or services within the township or township service area in the 24 months prior to being contracted to perform the cost study. After performing a cost study under this subsection (d), an independent entity may not contract with any State agency, unit of local government, or non-governmental entity for goods or services within the township or township service area in the 24 months after completion of the cost study other than to perform further cost studies under this subsection (d). A township shall not be required to conduct more than one cost study in a 60 month period under paragraphs (3) or (4) of this subsection (d). The cost study must include, at a minimum, an examination of similar water main and sewer connection charges in neighboring units of local government or units of local government similar in size or population. Following the completion of the cost study, no increase or new connection charge may be imposed unless the increase or new charge is justified by the cost study. If the connection charge the township charged prior to completion of the cost study is higher than is justified by the cost study, the township shall reduce its connection charge to the amount justified by the cost study. For purposes of this subsection (d), "connection charge" means any charge or fee, by whatever name, assessed to recover the cost of connecting the customer's water main, sewer, or water main and sewer service line to the township's facilities, and includes only the direct

and indirect costs of physically tying the service line into the township's main.

(e) If a cost study has been conducted pursuant to subsection (d) of this Section and a new cost study is requested under paragraph (3) or (4) of subsection (d), the township shall obtain a written quote from an independent entity detailing the cost of the requested cost study and one of the following shall occur prior to a new cost study beginning:

(1) each township, village, and municipality whose mayor or president requested the cost study under paragraph (3) of subsection (d) shall pay a proportionate share of the entire cost of the cost study as detailed in the written quote required under this subsection (e); or

(2) the customers who signed the petition under paragraph (4) of subsection (d) shall pay a pro rata share of the entire cost of the cost study as detailed in written quote required under this subsection (e).

Payments required under either paragraph (1) or (2) of this subsection (e) shall be made to the township clerk, who shall forward the same to the independent entity upon receipt of entire amount of the written quote for the cost study. If the entire amount of the written quote for the cost study has not been received within 90 days from the township clerk providing public note of the amount of the written quote, then those amounts received by the township clerk shall be refunded to the

persons or entities which paid them.

(Source: P.A. 99-481, eff. 9-22-15; 99-498, eff. 1-29-16.)

(60 ILCS 1/205-141 new)

Sec. 205-141. Initiating proceedings for particular locality; rates and charges; lien; certain townships.

(a) This Section applies to any township that (i) has a population between 31,500 and 32,000 according to the 2010 federal decennial census; and (ii) is located within a county that has a population between 260,000 and 265,000 according to the 2010 federal decennial census.

(a-1) A township board may initiate proceedings under Sections 205-130 through 205-150 in the manner provided by Section 205-20.

(b) The township board may establish a fair and reasonable rate for each user of the waterworks system or sewerage system, or combined waterworks and sewerage system, or improvement or extension at a rate that will be sufficient to pay the principal and interest of any bonds issued to pay the cost of the system, improvement, or extension and the maintenance and operation of the system, improvement, or extension and may provide an adequate depreciation fund for the bonds. Rates shall be established, revised, and maintained by ordinance and become payable as the township board determines by ordinance.

(b-5) The township board may establish a fair and reasonable connection charge for each new user added to the

township's waterworks system or sewerage system.

(c) The charges or rates are liens upon the real estate upon or for which sewerage service is supplied whenever the charges or rates become delinquent as provided by the ordinance of the board fixing a delinquency date.

(d) Notwithstanding any provision of law to the contrary, a cost study shall be conducted regarding the connection charge of the township:

(1) before the township increases or creates a connection charge;

(2) upon the request of the supervisor or a majority of the township board of the township;

(3) upon the request of a majority of the mayors or village presidents of the municipalities located within or substantially within the township or township's facility planning area; or

(4) upon the filing with the township board of a petition signed by 10% or more of the customers who have paid connection charges to the township in the previous 5 calendar years.

The cost study shall be conducted by an independent entity within 6 months of action taken under paragraphs (1), (2), (3), or (4) of this subsection (d). If a cost study is requested under paragraphs (1) or (2) of this subsection, then the township shall order and pay for the cost study. If a cost study is requested under paragraphs (3) or (4) of this

subsection, then the municipalities whose mayors or presidents requested the cost study under paragraph (3), or the customers who filed a petition under paragraph (4), shall choose the independent entity to conduct the cost study, order the cost study, and pay for the cost study. After performing a cost study under this subsection (d), an independent entity may not contract with any State agency, unit of local government, or non-governmental entity for goods or services within the township or township service area in the 24 months after completion of the cost study other than to perform further cost studies under this subsection (d). A township shall not be required to conduct more than one cost study in a 60 month period under paragraphs (3) or (4) of this subsection (d). The cost study must include, at a minimum, an examination of residential and commercial connection charges for the waterworks system or sewerage system, whichever applies, in at least 30 units of local government in Illinois with a similar number of customers as are connected to the township's waterworks system and sewerage system. Following the completion of the cost study, no increase or new connection charge may be imposed unless the increase or new charge is justified by the cost study. If the connection charge the township charged prior to completion of the cost study is higher than is justified by the cost study, the township shall reduce its connection charge to the amount justified by the cost study.

(e) For purposes of this Section:

"Connection charge" means any nominal charge or fee, by whatever name, assessed to recover the cost of connecting the customer's water main, sewer, or water main and sewer service line to the township's facilities, and includes only the direct and indirect costs of physically tying the service line into the township's main line in the adjoining utility easement.

"Independent entity" means an engineering firm that has not entered into a contract with any State agency, unit of local government, or non-governmental entity for goods or services within the township or township service area in the 24 months prior to being contracted to perform the cost study.

(60 ILCS 1/205-145)

Sec. 205-145. Special fund. All revenue derived from the operation of a waterworks system or sewerage system, or combined waterworks and sewerage system, constructed, acquired, extended, or improved to serve a particular locality shall be set aside as collected and shall be deposited in a special fund of the township. That fund shall be used only (i) to pay the cost of operating and maintaining the waterworks system or sewerage system, or combined waterworks and sewerage system, constructed, acquired, extended, or improved to serve a particular locality, (ii) to provide an adequate depreciation fund, and (iii) to pay the principal and interest on the bonds issued by the township under Sections 205-130 through 205-141

Public Act 100-0528

SB0060 Enrolled

LRB100 06032 AWJ 16063 b

~~205-140~~ for the purpose of constructing, acquiring, extending,
or improving the system.

(Source: P.A. 76-1360; 88-62.)

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