

AN ACT concerning local government.

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

Section 5. The Counties Code is amended by adding Division 5-44 to Article 5 and Sections 5-44005, 5-44010, 5-44015, 5-44020, 5-44025, 5-44030, 5-44035, 5-44040, 5-44045, 5-44050, and 5-44055 as follows:

(55 ILCS 5/Div. 5-44 heading new)

Division 5-44. Local Government Reduction and Efficiency

(55 ILCS 5/5-44005 new)

Sec. 5-44005. Findings and purpose.

(a) The General Assembly finds:

(1) Illinois has more units of local government than any other state.

(2) The large number of units of local government results in the inefficient delivery of governmental services at a higher cost to taxpayers.

(3) In a number of cases, units of local government provide services that are duplicative in nature, as they are provided by other units of local government.

(4) It is in the best interest of taxpayers that more efficient service delivery structures be established in

order to replace units of local government that are not financially sustainable.

(5) Units of local government managed by appointed governing boards not directly accountable to the electorate can encourage a lack of oversight and complacency that is not in the best interest of taxpayers.

(6) Various provisions of Illinois law governing the dissolution of units of local government are inconsistent and outdated.

(7) The lack of a streamlined method to consolidate government functions and to dissolve units of local government results in an unfair tax burden on the citizens of the State of Illinois residing in those units of local government and prevents the expenditure of limited public funds for critical programs and services.

(b) The purpose of this Act is to provide county boards with supplemental authority regarding the dissolution of units of local government and the consolidation of governmental functions.

(55 ILCS 5/5-44010 new)

Sec. 5-44010. Applicability. The powers and authorities provided by this Division 5-44 apply only to counties with a population of more than 900,000 and less than 3,000,000 that are contiguous to a county with a population of more than 3,000,000 and units of local government within such counties.

(55 ILCS 5/5-44015 new)

Sec. 5-44015. Powers; supplemental. The Sections of this Division 5-44 are intended to be supplemental and in addition to all other powers and authorities granted to any county board, shall be construed liberally, and shall not be construed as a limitation of any power or authority otherwise granted.

(55 ILCS 5/5-44020 new)

Sec. 5-44020. Definitions. In this Division 5-44:

"Fire protection jurisdiction" means a fire protection district, municipal fire department, or service organized under Section 5-1056.1 of the Counties Code, Sections 195 and 200 of the Township Code, Section 10-2.1 of the Illinois Municipal Code, or the Illinois Fire Protection District Act.

"Governing board" means the individual or individuals who constitute the corporate authorities of a unit of local government; and

"Unit of local government" or "unit" means any unit of local government located entirely within one county, to which the county board chairman or county executive directly appoints a majority of its governing board with the advice and consent of the county board, but shall not include a fire protection district that directly employs any regular full-time employees or a special district organized under the Water Commission Act of 1985.

(55 ILCS 5/5-44025 new)

Sec. 5-44025. Dissolution of units of local government.

(a) A county board may, by ordinance, propose the dissolution of a unit of local government. The ordinance shall detail the purpose and cost savings to be achieved by such dissolution, and be published in a newspaper of general circulation served by the unit of local government and on the county's website, if applicable.

(b) Upon the effective date of an ordinance enacted pursuant to subsection (a) of this Section, the chairman of the county board shall cause an audit of all claims against the unit, all receipts of the unit, the inventory of all real and personal property owned by the unit or under its control or management, and any debts owed by the unit. The chairman may, at his or her discretion, undertake any other audit or financial review of the affairs of the unit. The person or entity conducting such audit shall report the findings of the audit to the county board and to the chairman of the county board within 30 days.

(c) Following the return of the audit report required by subsection (b) of this Section, the county board may adopt an ordinance dissolving the unit 150 days following the effective date of the ordinance. Upon adoption of the ordinance, but not before the end of the 30-day period set forth in subsection (e) of this Section and prior to its effective date, the chairman

of the county board shall petition the circuit court for an order designating a trustee-in-dissolution for the unit, immediately terminating the terms of the members of the governing board of the unit of local government on the effective date of the ordinance, and providing for the compensation of the trustee, which shall be paid from the corporate funds of the unit.

(d) Upon the effective date of an ordinance enacted under subsection (c) of this Section, and notwithstanding any other provision of law, the State's attorney, or his or her designee, shall become the exclusive legal representative of the dissolving unit of local government. The county treasurer shall become the treasurer of the unit of local government and the county clerk shall become the secretary of the unit of local government.

(e) Any dissolution of a unit of local government proposed pursuant to this Act shall be subject to a backdoor referendum. In addition to, or as part of, the authorizing ordinance enacted pursuant to subsection (c) of this Section, a notice shall be published that includes: (1) the specific number of voters required to sign a petition requesting that the question of dissolution be submitted to referendum; (2) the time when such petition must be filed; (3) the date of the prospective referendum; and (4) the statement of the cost savings and the purpose or basis for the dissolution as set forth in the authorizing ordinance under subsection (a) of this Section. The

county's election authority shall provide a petition form to anyone requesting one. If no petition is filed with the county's election authority within 30 days of publication of the authorizing ordinance and notice, the ordinance shall become effective.

However, the election authority shall certify the question for submission at the next election held in accordance with general election law if a petition: (1) is filed within the 30-day period; (2) is signed by electors numbering either 7.5% of the registered voters in the governmental unit or 200 registered voters, whichever is less; and (3) asks that the question of dissolution be submitted to referendum.

The election authority shall submit the question to voters residing in the area served by the unit of local government in substantially the following form:

Shall the county board be authorized to dissolve [name of unit of local government]?

The election authority shall record the votes as "Yes" or "No".

If a majority of the votes cast on the question at such election are in favor of dissolution of the unit of local government and provided that notice of the referendum was provided as set forth in Section 12-5 of the Election Code, the county board is authorized to proceed pursuant to subsection (c) of this Section.

(55 ILCS 5/5-44030 new)

Sec. 5-44030. Trustee-in-dissolution; powers and duties.

(a) The trustee-in-dissolution shall have the following powers and duties:

(1) to execute all of the powers and duties of the previous board;

(2) to levy and rebate taxes, subject to the approval of the county board, for the purpose of paying the debts, obligations, and liabilities of the unit that are outstanding on the date of the dissolution and the necessary expenses of closing up the affairs of the district if these funds are not available from the unit of local government's general fund;

(3) to present, within 30 days of his or her appointment, a plan for the consolidation and dissolution of the unit of local government to the county board for its approval. The plan shall identify what functions, if any, of the unit of local government shall be undertaken by the county upon dissolution and whether any taxes previously levied for the provision of these functions shall be maintained;

(4) to enter into an intergovernmental agreement with one or more governmental entities to utilize existing resources including, but not limited to, labor, materials, and property, as may be needed to carry out the foregoing duties;

(5) to enter into an intergovernmental agreement with the county to combine or transfer any of the powers, privileges, functions, or authority of the unit of local government to the county as may be required to facilitate the transition; and

(6) to sell the property of the unit and, in case any excess remains after all liabilities of the unit are paid, the excess shall be transferred to a special fund created and maintained by the county treasurer to be expended solely to defer the costs incurred by the county in performing the duties of the unit, subject to the requirements of Section 5-44035 of this Division. Nothing in this Section shall prohibit the county from acquiring any or all real or personal property of the district.

(b) For fire protection jurisdictions, the trustee-in-dissolution shall not have:

(1) the powers enumerated in this Section unless the dissolution of that unit of local government shall not increase the average response times nor decrease the level of services provided; and

(2) the power to decrease the levy that is in effect on or before the date of dissolution of the fire protection jurisdiction that affects the provision of fire and emergency medical services.

Sec. 5-44035. Outstanding indebtedness.

(a) In case any unit dissolved pursuant to this Division has bonds or notes outstanding that are a lien on funds available in the treasury at the time of consolidation, such lien shall be unimpaired by such dissolution and the lien shall continue in favor of the bond or note holders. The funds available subject to such a lien shall be set apart and held for the purpose of retiring such secured debt and no such funds shall be transferred into the general funds of the county.

(b) In case any unit dissolved pursuant to this Division has unsecured debts outstanding at the time of dissolution, any funds in the treasury of such unit or otherwise available and not committed shall, to the extent necessary, be applied to the payment of such debts.

(c) All property in the territory served by the dissolved unit of government shall be subject to taxation to pay the debts, bonds, and obligations of the dissolved district. The county board shall abate this taxation upon the discharge of all outstanding obligations.

(55 ILCS 5/5-44040 new)

Sec. 5-44040. Effect of dissolution. Immediately upon the dissolution of a unit of local government pursuant to this Division:

(a) Notwithstanding the provisions of the Special Service Area Tax Law of the Property Tax Code that pertain to the

establishment of special service areas, all or part of the territory formerly served by the dissolved unit of local government may be established as a special service area or areas of the county if the county board by resolution determines that this designation is necessary for it to provide services. The special service area, if created, shall include all territory formerly served by the dissolved unit of local government if the dissolved unit has outstanding indebtedness. If the boundaries of a special service area created under this subsection include territory within a municipality, the corporate authorities of that municipality may, with the consent of the county, assume responsibility for the special service area and become its governing body.

All or part of the territory formerly served by a dissolved fire protection jurisdiction shall not be established as a special service area unless the creation of the special service area does not increase the average response times nor decrease the level of service provided.

(b) In addition to any other powers provided by law, the governing body of a special service area created pursuant to this subsection shall assume and is authorized to exercise all the powers and duties of the dissolved unit with respect to the special service area. The governing body is also authorized to continue to levy any tax previously imposed by the unit of local government within the special service area. However, the governing board shall not have the power to decrease the levy

that is in effect on or before the date of dissolution of the fire protection jurisdiction that affects the provision of fire and emergency medical services.

(c) Subsequent increases of the current tax levy within the special service area or areas shall be made in accordance with the provisions of the Special Service Area Tax Law of the Property Tax Code.

(55 ILCS 5/5-44045 new)

Sec. 5-44045. Abatement of levy. Whenever a county has dissolved a unit of local government pursuant to this Division, the county or municipality shall, within 6 months of the effective date of the dissolution and every year thereafter, evaluate the need to continue any existing tax levy until the county or municipality abates the levy in the manner set forth by the Special Service Area Tax Law of the Property Tax Code.

(55 ILCS 5/5-44050 new)

Sec. 5-44050. Tax collection and enforcement. The dissolution of a unit of government pursuant to this Division shall not adversely affect proceedings for the collection or enforcement of any tax. Those proceedings shall continue to finality as though no dissolution had taken place. The proceeds thereof shall be paid over to the treasurer of the county to be used for the purpose for which the tax was levied or assessed. Proceedings to collect and enforce such taxes may be instituted

and carried on in the name of the unit.

(55 ILCS 5/5-44055 new)

Sec. 5-44055. Litigation. All suits pending in any court on behalf of or against a unit dissolved pursuant to this Division may be prosecuted or defended in the name of the county by the State's attorney. All judgments obtained for a unit dissolved pursuant to this Division shall be collected and enforced by the county for its benefit.

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