

AN ACT concerning local government.

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

Section 5. The Water Authorities Act is amended by changing Section 28 as follows:

(70 ILCS 3715/28)

Sec. 28. Cessation or dissolution of authority organization.

(a) Notwithstanding any other provision of law, if a majority vote of the board of trustees is in favor of the proposition to annex the authority to another authority whose boundaries are contiguous, or consolidate the authority into a municipality with which the authority is coterminous or substantially coterminous, or consolidate the authority into the county in which the authority sits if the authority contains territory within only one county, and if the governing authorities of the governmental unit assuming the functions of the former authority agree by resolution to accept the functions (and jurisdiction over the territory, if applicable) of the consolidated or annexed authority, then the authority shall cease. On the effective date of the annexation or consolidation, all the rights, powers, duties, assets, property, liabilities, indebtedness, obligations, bonding

authority, taxing authority, and responsibilities of the authority shall vest in and be assumed by the governmental unit assuming the functions of the former authority.

The employees of the former authority shall be transferred to the governmental unit assuming the functions of the former authority. The governmental unit assuming the functions of the former authority shall exercise the rights and responsibilities of the former authority with respect to those employees. The status and rights of the employees of the former authority under any applicable contracts or collective bargaining agreements, historical representation rights under the Illinois Public Labor Relations Act, or under any pension, retirement, or annuity plan shall not be affected by this amendatory Act.

(b) Any authority created under this Act, other than an authority servicing any part of the City of Chicago, which does not have any outstanding and unpaid revenue bonds issued under this Act may be dissolved any time after a date which is 4 years after the date of its creation as follows:

Any 500 electors residing within the area of the authority may petition the circuit court to order submitted to referendum the question whether the authority should be dissolved. Upon the filing of the petition, and the determination that it is in accordance with the general election law, the circuit court shall: designate the election at which this question is to be submitted; order notice of the referendum in the manner

provided by the general election law; and certify the proposition to the proper election officials for submission in accordance with the general election law.

The proposition shall be in substantially the following form:

|                            |              |
|----------------------------|--------------|
| -----                      |              |
| <u>"Shall the (name of</u> | <u>YES</u>   |
| <u>water authority)</u>    | <u>-----</u> |
| <u>be dissolved?"</u>      | <u>NO</u>    |
| -----                      |              |

If a majority of the votes cast on this question are in favor of dissolution of the authority under this subsection, then such organization shall cease, the authority is dissolved, and the circuit court shall direct the discharge of all outstanding obligations.

If the vote is in favor of dissolution of the authority under this subsection, there shall be no further appointments or elections for trustees. Except as otherwise provided for in this subsection, the trustees acting at the time of this vote shall close up the business affairs of the district and make the necessary conveyances of the title to the district property. The terms of the trustees acting at the time of a vote in favor of dissolution are extended until the business affairs are closed up and conveyances of title are completed.

To the extent that the authority has entered into a multiyear lease on a real property asset (including, but not limited to, surface water property) that it possesses, the court, upon application of the trustees, may order the trustees to arrange the transfer of such real property asset, instead of liquidating the real property asset, to a unit of local government with legal authority to operate the real property asset. Such transfer may be made with or without compensation in the discretion of the court in accordance with this paragraph. In determining whether compensation shall be paid, the court shall determine if the same or substantially similar groups of citizens will benefit from the real property asset after transfer. To the extent that the same or substantially similar groups of citizens will continue to benefit from the real property asset, the court is not required to order compensation paid by the receiving unit of local government to the authority. To the extent that a substantial change occurs to the groups of citizens that will benefit from the real property asset after the transfer, the court shall determine, after receiving input from the trustees and the unit of local government, an equitable method of compensation, after receiving input from the trustees and the unit of local government, to be received from the unit of local government to whom the real property asset is being transferred. The court shall liberally construe this provision to provide for an equitable determination of relative benefit.

If the vote is against dissolution of the authority, no petition for a referendum under this subsection may be filed within 4 years of the previous referendum.

The dissolution of any authority under this subsection does not affect the obligation of any bonds issued or contracts entered into by such authority, nor invalidate the levy, extension or collection of any taxes upon the property in the debtor authority, but all such bonds and contracts shall be fulfilled or repaid as required under the terms of the bonds or contracts.

All money remaining after the business affairs of the authority have been closed up and all the debts and obligations of the authority have been paid under this subsection, shall be paid to the township or townships in which such authority is situated, or the county or counties of any portion of such authority that is situated outside of a township, in the proportion that the taxable value the real property in the authority situated in each township or county bears to the taxable value of all the real property in the authority.

All courts shall take judicial notice of the dissolution of such authority.

(Source: P.A. 98-1002, eff. 8-18-14.)

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