



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB0170

Introduced 1/30/2019, by Sen. Napoleon Harris, III

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Finance Act. Creates the Financially Distressed Cities Fund. Amends the State Revenue Sharing Act and the Illinois Income Tax Act. Provides that the Treasurer shall monthly transfer to the Financially Distressed Cities Fund an amount certified by the Department of Revenue equal to: (1) the amount that would have been distributed under the State Revenue Sharing Act to all financially distressed cities if the Treasurer had transferred to the Local Government Distributive Fund a sum calculated using 0.10% of the net revenue realized from the tax imposed by the Illinois Income Tax Act upon individuals, trusts, estates, and corporations during the preceding month; and (2) subtracting the amount distributed to all financially distressed cities from the Local Government Distributive Fund. Provides that the Department of Revenue shall monthly allocate an amount from the Financially Distressed Cities Fund that shall be paid to each financially distressed city. Amends the Financially Distressed City Law of the Illinois Municipal Code. Makes the law applicable to both home rule and non-home rule municipalities. Provides that a State agency or unit of local government may also render technical assistance to a municipality's Financial Advisory Authority as the Authority may request. Provides that the State shall not reduce revenues or impose additional costs affecting a financially distressed city affecting the municipality unless it is consistent with the Financial Plan and Budget in effect. Provides that State mandates enacted while a municipality is designated as a financially distressed city that would cause the municipality to incur costs are not valid or enforceable during the period when the municipality is under the financially distressed city designation. Effective January 1, 2020.

LRB101 06687 AWJ 51714 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 State Finance Act is amended by adding
5 Section 5.891 as follows:

6 (30 ILCS 105/5.891 new)

7 Sec. 5.891. The Financially Distressed Cities Fund.

8 Section 10. The State Revenue Sharing Act is amended by
9 changing Section 2 as follows:

10 (30 ILCS 115/2) (from Ch. 85, par. 612)

11 Sec. 2. Allocation and Disbursement.

12 (a) As soon as may be after the first day of each month,
13 the Department of Revenue shall allocate among the several
14 municipalities and counties of this State the amount available
15 in the Local Government Distributive Fund and in the Income Tax
16 Surcharge Local Government Distributive Fund, determined as
17 provided in Sections 1 and 1a above. Except as provided in
18 Sections 13 and 13.1 of this Act, the Department shall then
19 certify such allocations to the State Comptroller, who shall
20 pay over to the several municipalities and counties the
21 respective amounts allocated to them. The amount of such Funds

1 allocable to each such municipality and county shall be in
2 proportion to the number of individual residents of such
3 municipality or county to the total population of the State,
4 determined in each case on the basis of the latest census of
5 the State, municipality or county conducted by the Federal
6 government and certified by the Secretary of State and for
7 annexations to municipalities, the latest Federal, State or
8 municipal census of the annexed area which has been certified
9 by the Department of Revenue. Allocations to the City of
10 Chicago under this Section are subject to Section 6 of the
11 Hotel Operators' Occupation Tax Act. For the purpose of this
12 Section, the number of individual residents of a county shall
13 be reduced by the number of individuals residing therein in
14 municipalities, but the number of individual residents of the
15 State, county and municipality shall reflect the latest census
16 of any of them. The amounts transferred into the Local
17 Government Distributive Fund pursuant to Section 9 of the Use
18 Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the
19 Service Occupation Tax Act, and Section 3 of the Retailers'
20 Occupation Tax Act, each as now or hereafter amended, pursuant
21 to the amendments of such Sections by Public Act 85-1135, shall
22 be distributed as provided in said Sections.

23 (a-5) The Department of Revenue shall allocate, as soon as
24 may be practicable after the first day of each month, among
25 each financially distressed city, as that term is defined in
26 Section 8-12-3 of the Illinois Municipal Code, funds

1 transferred to the Financially Distressed Cities Fund under
2 subsection (b-5) of Section 905 of the Illinois Income Tax Act.
3 The Department shall then certify the allocations to the State
4 Comptroller, who shall pay over to each financially distressed
5 city the respective amounts allocated to it. The amount of
6 funds allocable to each financially distressed city shall be in
7 proportion to the number of individual residents of the
8 financially distressed city to the total population of all
9 financially distressed cities combined, determined in each
10 case on the basis of the latest census of the State,
11 municipality, or county conducted by the Federal government and
12 certified by the Secretary of State and for annexations to
13 municipalities, the latest Federal, State, or municipal census
14 of the annexed area which has been certified by the Department
15 of Revenue.

16 (b) It is the intent of the General Assembly that
17 allocations made under this Section shall be made in a fair and
18 equitable manner. Accordingly, the clerk of any municipality to
19 which territory has been annexed, or from which territory has
20 been disconnected, shall notify the Department of Revenue in
21 writing of that annexation or disconnection and shall (1) state
22 the number of residents within the territory that was annexed
23 or disconnected, based on the last census conducted by the
24 federal, State, or municipal government and certified by the
25 Illinois Secretary of State, and (2) furnish therewith a
26 certified copy of the plat of annexation or, in the case of

1 disconnection, the ordinance, final judgment, or resolution of
2 disconnection together with an accurate depiction of the
3 territory disconnected. The county in which the annexed or
4 disconnected territory is located shall verify that the number
5 of residents stated on the written notice that is to be sent to
6 the Department of Revenue is true and accurate. The verified
7 statement of the county shall accompany the written notice.
8 However, if the county does not respond to the municipality's
9 request for verification within 30 days, this verification
10 requirement shall be waived. The written notice shall be
11 provided to the Department of Revenue (1) within 30 days after
12 the effective date of this amendatory Act of the 96th General
13 Assembly for disconnections occurring after January 1, 2007 and
14 before the effective date of this amendatory Act of the 96th
15 General Assembly or (2) within 30 days after the annexation or
16 disconnection for annexations or disconnections occurring on
17 or after the effective date of this amendatory Act of the 96th
18 General Assembly. For purposes of this Section, a disconnection
19 or annexation through court order is deemed to be effective 30
20 days after the entry of a final judgment order, unless stayed
21 pending appeal. Thereafter, the monthly allocation made to the
22 municipality and to any other municipality or county affected
23 by the annexation or disconnection shall be adjusted in
24 accordance with this Section to reflect the change in residency
25 of the residents of the territory that was annexed or
26 disconnected. The adjustment shall be made no later than 30

1 days after the Department of Revenue's receipt of the written
2 notice of annexation or disconnection described in this
3 Section.

4 (Source: P.A. 96-1040, eff. 7-14-10.)

5 Section 15. The Illinois Income Tax Act is amended by
6 changing Section 901 as follows:

7 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

8 Sec. 901. Collection authority.

9 (a) In general. The Department shall collect the taxes
10 imposed by this Act. The Department shall collect certified
11 past due child support amounts under Section 2505-650 of the
12 Department of Revenue Law of the Civil Administrative Code of
13 Illinois. Except as provided in subsections (b), (c), (e), (f),
14 (g), and (h) of this Section, money collected pursuant to
15 subsections (a) and (b) of Section 201 of this Act shall be
16 paid into the General Revenue Fund in the State treasury; money
17 collected pursuant to subsections (c) and (d) of Section 201 of
18 this Act shall be paid into the Personal Property Tax
19 Replacement Fund, a special fund in the State Treasury; and
20 money collected under Section 2505-650 of the Department of
21 Revenue Law of the Civil Administrative Code of Illinois shall
22 be paid into the Child Support Enforcement Trust Fund, a
23 special fund outside the State Treasury, or to the State
24 Disbursement Unit established under Section 10-26 of the

1 Illinois Public Aid Code, as directed by the Department of
2 Healthcare and Family Services.

3 (b) Local Government Distributive Fund. Beginning August
4 1, 1969, and continuing through June 30, 1994, the Treasurer
5 shall transfer each month from the General Revenue Fund to a
6 special fund in the State treasury, to be known as the "Local
7 Government Distributive Fund", an amount equal to 1/12 of the
8 net revenue realized from the tax imposed by subsections (a)
9 and (b) of Section 201 of this Act during the preceding month.
10 Beginning July 1, 1994, and continuing through June 30, 1995,
11 the Treasurer shall transfer each month from the General
12 Revenue Fund to the Local Government Distributive Fund an
13 amount equal to 1/11 of the net revenue realized from the tax
14 imposed by subsections (a) and (b) of Section 201 of this Act
15 during the preceding month. Beginning July 1, 1995 and
16 continuing through January 31, 2011, the Treasurer shall
17 transfer each month from the General Revenue Fund to the Local
18 Government Distributive Fund an amount equal to the net of (i)
19 1/10 of the net revenue realized from the tax imposed by
20 subsections (a) and (b) of Section 201 of the Illinois Income
21 Tax Act during the preceding month (ii) minus, beginning July
22 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning
23 July 1, 2004, zero. Beginning February 1, 2011, and continuing
24 through January 31, 2015, the Treasurer shall transfer each
25 month from the General Revenue Fund to the Local Government
26 Distributive Fund an amount equal to the sum of (i) 6% (10% of

1 the ratio of the 3% individual income tax rate prior to 2011 to
2 the 5% individual income tax rate after 2010) of the net
3 revenue realized from the tax imposed by subsections (a) and
4 (b) of Section 201 of this Act upon individuals, trusts, and
5 estates during the preceding month and (ii) 6.86% (10% of the
6 ratio of the 4.8% corporate income tax rate prior to 2011 to
7 the 7% corporate income tax rate after 2010) of the net revenue
8 realized from the tax imposed by subsections (a) and (b) of
9 Section 201 of this Act upon corporations during the preceding
10 month. Beginning February 1, 2015 and continuing through July
11 31, 2017, the Treasurer shall transfer each month from the
12 General Revenue Fund to the Local Government Distributive Fund
13 an amount equal to the sum of (i) 8% (10% of the ratio of the 3%
14 individual income tax rate prior to 2011 to the 3.75%
15 individual income tax rate after 2014) of the net revenue
16 realized from the tax imposed by subsections (a) and (b) of
17 Section 201 of this Act upon individuals, trusts, and estates
18 during the preceding month and (ii) 9.14% (10% of the ratio of
19 the 4.8% corporate income tax rate prior to 2011 to the 5.25%
20 corporate income tax rate after 2014) of the net revenue
21 realized from the tax imposed by subsections (a) and (b) of
22 Section 201 of this Act upon corporations during the preceding
23 month. Beginning August 1, 2017, the Treasurer shall transfer
24 each month from the General Revenue Fund to the Local
25 Government Distributive Fund an amount equal to the sum of (i)
26 6.06% (10% of the ratio of the 3% individual income tax rate

1 prior to 2011 to the 4.95% individual income tax rate after
2 July 1, 2017) of the net revenue realized from the tax imposed
3 by subsections (a) and (b) of Section 201 of this Act upon
4 individuals, trusts, and estates during the preceding month and
5 (ii) 6.85% (10% of the ratio of the 4.8% corporate income tax
6 rate prior to 2011 to the 7% corporate income tax rate after
7 July 1, 2017) of the net revenue realized from the tax imposed
8 by subsections (a) and (b) of Section 201 of this Act upon
9 corporations during the preceding month. Net revenue realized
10 for a month shall be defined as the revenue from the tax
11 imposed by subsections (a) and (b) of Section 201 of this Act
12 which is deposited in the General Revenue Fund, the Education
13 Assistance Fund, the Income Tax Surcharge Local Government
14 Distributive Fund, the Fund for the Advancement of Education,
15 and the Commitment to Human Services Fund during the month
16 minus the amount paid out of the General Revenue Fund in State
17 warrants during that same month as refunds to taxpayers for
18 overpayment of liability under the tax imposed by subsections
19 (a) and (b) of Section 201 of this Act.

20 Notwithstanding any provision of law to the contrary,
21 beginning on July 6, 2017 (the effective date of Public Act
22 100-23), those amounts required under this subsection (b) to be
23 transferred by the Treasurer into the Local Government
24 Distributive Fund from the General Revenue Fund shall be
25 directly deposited into the Local Government Distributive Fund
26 as the revenue is realized from the tax imposed by subsections

1 (a) and (b) of Section 201 of this Act.

2 For State fiscal year 2018 only, notwithstanding any
3 provision of law to the contrary, the total amount of revenue
4 and deposits under this Section attributable to revenues
5 realized during State fiscal year 2018 shall be reduced by 10%.

6 For State fiscal year 2019 only, notwithstanding any
7 provision of law to the contrary, the total amount of revenue
8 and deposits under this Section attributable to revenues
9 realized during State fiscal year 2019 shall be reduced by 5%.

10 (b-5) Financially Distressed Cities Fund. The Department
11 of Revenue shall certify to the Treasurer an amount equal to:

12 (1) the amount that would have been distributed under
13 subsection (a) of Section 2 of the State Revenue Sharing
14 Act to all financially distressed cities, as that term is
15 defined in Section 8-12-3 of the Illinois Municipal Code,
16 if the Treasurer had transferred under subsection (b) to
17 the Local Government Distributive Fund a sum calculated
18 using (i) 0.10% of the net revenue realized from the tax
19 imposed by subsections (a) and (b) of Section 201 of this
20 Act upon individuals, trusts, and estates during the
21 preceding month and (ii) 0.10% of the net revenue realized
22 from the tax imposed by subsections (a) and (b) of Section
23 201 of this Act upon corporations during the preceding
24 month; and

25 (2) subtracting from the amount calculated under
26 paragraph (1) the amount distributed to all financially

1 distressed cities under subsection (a) of Section 2 of the
2 State Revenue Sharing Act during the current month.

3 Upon receipt of the certification, the Treasurer shall
4 transfer from the General Revenue Fund to the Financially
5 Distressed Cities Fund the amount shown on the certification.

6 (c) Deposits Into Income Tax Refund Fund.

7 (1) Beginning on January 1, 1989 and thereafter, the
8 Department shall deposit a percentage of the amounts
9 collected pursuant to subsections (a) and (b) (1), (2), and
10 (3) of Section 201 of this Act into a fund in the State
11 treasury known as the Income Tax Refund Fund. The
12 Department shall deposit 6% of such amounts during the
13 period beginning January 1, 1989 and ending on June 30,
14 1989. Beginning with State fiscal year 1990 and for each
15 fiscal year thereafter, the percentage deposited into the
16 Income Tax Refund Fund during a fiscal year shall be the
17 Annual Percentage. For fiscal years 1999 through 2001, the
18 Annual Percentage shall be 7.1%. For fiscal year 2003, the
19 Annual Percentage shall be 8%. For fiscal year 2004, the
20 Annual Percentage shall be 11.7%. Upon the effective date
21 of Public Act 93-839 (July 30, 2004), the Annual Percentage
22 shall be 10% for fiscal year 2005. For fiscal year 2006,
23 the Annual Percentage shall be 9.75%. For fiscal year 2007,
24 the Annual Percentage shall be 9.75%. For fiscal year 2008,
25 the Annual Percentage shall be 7.75%. For fiscal year 2009,
26 the Annual Percentage shall be 9.75%. For fiscal year 2010,

1 the Annual Percentage shall be 9.75%. For fiscal year 2011,
2 the Annual Percentage shall be 8.75%. For fiscal year 2012,
3 the Annual Percentage shall be 8.75%. For fiscal year 2013,
4 the Annual Percentage shall be 9.75%. For fiscal year 2014,
5 the Annual Percentage shall be 9.5%. For fiscal year 2015,
6 the Annual Percentage shall be 10%. For fiscal year 2018,
7 the Annual Percentage shall be 9.8%. For fiscal year 2019,
8 the Annual Percentage shall be 9.7%. For all other fiscal
9 years, the Annual Percentage shall be calculated as a
10 fraction, the numerator of which shall be the amount of
11 refunds approved for payment by the Department during the
12 preceding fiscal year as a result of overpayment of tax
13 liability under subsections (a) and (b) (1), (2), and (3) of
14 Section 201 of this Act plus the amount of such refunds
15 remaining approved but unpaid at the end of the preceding
16 fiscal year, minus the amounts transferred into the Income
17 Tax Refund Fund from the Tobacco Settlement Recovery Fund,
18 and the denominator of which shall be the amounts which
19 will be collected pursuant to subsections (a) and (b) (1),
20 (2), and (3) of Section 201 of this Act during the
21 preceding fiscal year; except that in State fiscal year
22 2002, the Annual Percentage shall in no event exceed 7.6%.
23 The Director of Revenue shall certify the Annual Percentage
24 to the Comptroller on the last business day of the fiscal
25 year immediately preceding the fiscal year for which it is
26 to be effective.

1 (2) Beginning on January 1, 1989 and thereafter, the
2 Department shall deposit a percentage of the amounts
3 collected pursuant to subsections (a) and (b)(6), (7), and
4 (8), (c) and (d) of Section 201 of this Act into a fund in
5 the State treasury known as the Income Tax Refund Fund. The
6 Department shall deposit 18% of such amounts during the
7 period beginning January 1, 1989 and ending on June 30,
8 1989. Beginning with State fiscal year 1990 and for each
9 fiscal year thereafter, the percentage deposited into the
10 Income Tax Refund Fund during a fiscal year shall be the
11 Annual Percentage. For fiscal years 1999, 2000, and 2001,
12 the Annual Percentage shall be 19%. For fiscal year 2003,
13 the Annual Percentage shall be 27%. For fiscal year 2004,
14 the Annual Percentage shall be 32%. Upon the effective date
15 of Public Act 93-839 (July 30, 2004), the Annual Percentage
16 shall be 24% for fiscal year 2005. For fiscal year 2006,
17 the Annual Percentage shall be 20%. For fiscal year 2007,
18 the Annual Percentage shall be 17.5%. For fiscal year 2008,
19 the Annual Percentage shall be 15.5%. For fiscal year 2009,
20 the Annual Percentage shall be 17.5%. For fiscal year 2010,
21 the Annual Percentage shall be 17.5%. For fiscal year 2011,
22 the Annual Percentage shall be 17.5%. For fiscal year 2012,
23 the Annual Percentage shall be 17.5%. For fiscal year 2013,
24 the Annual Percentage shall be 14%. For fiscal year 2014,
25 the Annual Percentage shall be 13.4%. For fiscal year 2015,
26 the Annual Percentage shall be 14%. For fiscal year 2018,

1 the Annual Percentage shall be 17.5%. For fiscal year 2019,
2 the Annual Percentage shall be 15.5%. For all other fiscal
3 years, the Annual Percentage shall be calculated as a
4 fraction, the numerator of which shall be the amount of
5 refunds approved for payment by the Department during the
6 preceding fiscal year as a result of overpayment of tax
7 liability under subsections (a) and (b) (6), (7), and (8),
8 (c) and (d) of Section 201 of this Act plus the amount of
9 such refunds remaining approved but unpaid at the end of
10 the preceding fiscal year, and the denominator of which
11 shall be the amounts which will be collected pursuant to
12 subsections (a) and (b) (6), (7), and (8), (c) and (d) of
13 Section 201 of this Act during the preceding fiscal year;
14 except that in State fiscal year 2002, the Annual
15 Percentage shall in no event exceed 23%. The Director of
16 Revenue shall certify the Annual Percentage to the
17 Comptroller on the last business day of the fiscal year
18 immediately preceding the fiscal year for which it is to be
19 effective.

20 (3) The Comptroller shall order transferred and the
21 Treasurer shall transfer from the Tobacco Settlement
22 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
23 in January, 2001, (ii) \$35,000,000 in January, 2002, and
24 (iii) \$35,000,000 in January, 2003.

25 (d) Expenditures from Income Tax Refund Fund.

26 (1) Beginning January 1, 1989, money in the Income Tax

1 Refund Fund shall be expended exclusively for the purpose
2 of paying refunds resulting from overpayment of tax
3 liability under Section 201 of this Act and for making
4 transfers pursuant to this subsection (d).

5 (2) The Director shall order payment of refunds
6 resulting from overpayment of tax liability under Section
7 201 of this Act from the Income Tax Refund Fund only to the
8 extent that amounts collected pursuant to Section 201 of
9 this Act and transfers pursuant to this subsection (d) and
10 item (3) of subsection (c) have been deposited and retained
11 in the Fund.

12 (3) As soon as possible after the end of each fiscal
13 year, the Director shall order transferred and the State
14 Treasurer and State Comptroller shall transfer from the
15 Income Tax Refund Fund to the Personal Property Tax
16 Replacement Fund an amount, certified by the Director to
17 the Comptroller, equal to the excess of the amount
18 collected pursuant to subsections (c) and (d) of Section
19 201 of this Act deposited into the Income Tax Refund Fund
20 during the fiscal year over the amount of refunds resulting
21 from overpayment of tax liability under subsections (c) and
22 (d) of Section 201 of this Act paid from the Income Tax
23 Refund Fund during the fiscal year.

24 (4) As soon as possible after the end of each fiscal
25 year, the Director shall order transferred and the State
26 Treasurer and State Comptroller shall transfer from the

1 Personal Property Tax Replacement Fund to the Income Tax
2 Refund Fund an amount, certified by the Director to the
3 Comptroller, equal to the excess of the amount of refunds
4 resulting from overpayment of tax liability under
5 subsections (c) and (d) of Section 201 of this Act paid
6 from the Income Tax Refund Fund during the fiscal year over
7 the amount collected pursuant to subsections (c) and (d) of
8 Section 201 of this Act deposited into the Income Tax
9 Refund Fund during the fiscal year.

10 (4.5) As soon as possible after the end of fiscal year
11 1999 and of each fiscal year thereafter, the Director shall
12 order transferred and the State Treasurer and State
13 Comptroller shall transfer from the Income Tax Refund Fund
14 to the General Revenue Fund any surplus remaining in the
15 Income Tax Refund Fund as of the end of such fiscal year;
16 excluding for fiscal years 2000, 2001, and 2002 amounts
17 attributable to transfers under item (3) of subsection (c)
18 less refunds resulting from the earned income tax credit.

19 (5) This Act shall constitute an irrevocable and
20 continuing appropriation from the Income Tax Refund Fund
21 for the purpose of paying refunds upon the order of the
22 Director in accordance with the provisions of this Section.

23 (e) Deposits into the Education Assistance Fund and the
24 Income Tax Surcharge Local Government Distributive Fund. On
25 July 1, 1991, and thereafter, of the amounts collected pursuant
26 to subsections (a) and (b) of Section 201 of this Act, minus

1 deposits into the Income Tax Refund Fund, the Department shall
2 deposit 7.3% into the Education Assistance Fund in the State
3 Treasury. Beginning July 1, 1991, and continuing through
4 January 31, 1993, of the amounts collected pursuant to
5 subsections (a) and (b) of Section 201 of the Illinois Income
6 Tax Act, minus deposits into the Income Tax Refund Fund, the
7 Department shall deposit 3.0% into the Income Tax Surcharge
8 Local Government Distributive Fund in the State Treasury.
9 Beginning February 1, 1993 and continuing through June 30,
10 1993, of the amounts collected pursuant to subsections (a) and
11 (b) of Section 201 of the Illinois Income Tax Act, minus
12 deposits into the Income Tax Refund Fund, the Department shall
13 deposit 4.4% into the Income Tax Surcharge Local Government
14 Distributive Fund in the State Treasury. Beginning July 1,
15 1993, and continuing through June 30, 1994, of the amounts
16 collected under subsections (a) and (b) of Section 201 of this
17 Act, minus deposits into the Income Tax Refund Fund, the
18 Department shall deposit 1.475% into the Income Tax Surcharge
19 Local Government Distributive Fund in the State Treasury.

20 (f) Deposits into the Fund for the Advancement of
21 Education. Beginning February 1, 2015, the Department shall
22 deposit the following portions of the revenue realized from the
23 tax imposed upon individuals, trusts, and estates by
24 subsections (a) and (b) of Section 201 of this Act, minus
25 deposits into the Income Tax Refund Fund, into the Fund for the
26 Advancement of Education:

1 (1) beginning February 1, 2015, and prior to February
2 1, 2025, 1/30; and

3 (2) beginning February 1, 2025, 1/26.

4 If the rate of tax imposed by subsection (a) and (b) of
5 Section 201 is reduced pursuant to Section 201.5 of this Act,
6 the Department shall not make the deposits required by this
7 subsection (f) on or after the effective date of the reduction.

8 (g) Deposits into the Commitment to Human Services Fund.
9 Beginning February 1, 2015, the Department shall deposit the
10 following portions of the revenue realized from the tax imposed
11 upon individuals, trusts, and estates by subsections (a) and
12 (b) of Section 201 of this Act, minus deposits into the Income
13 Tax Refund Fund, into the Commitment to Human Services Fund:

14 (1) beginning February 1, 2015, and prior to February
15 1, 2025, 1/30; and

16 (2) beginning February 1, 2025, 1/26.

17 If the rate of tax imposed by subsection (a) and (b) of
18 Section 201 is reduced pursuant to Section 201.5 of this Act,
19 the Department shall not make the deposits required by this
20 subsection (g) on or after the effective date of the reduction.

21 (h) Deposits into the Tax Compliance and Administration
22 Fund. Beginning on the first day of the first calendar month to
23 occur on or after August 26, 2014 (the effective date of Public
24 Act 98-1098), each month the Department shall pay into the Tax
25 Compliance and Administration Fund, to be used, subject to
26 appropriation, to fund additional auditors and compliance

1 personnel at the Department, an amount equal to 1/12 of 5% of
2 the cash receipts collected during the preceding fiscal year by
3 the Audit Bureau of the Department from the tax imposed by
4 subsections (a), (b), (c), and (d) of Section 201 of this Act,
5 net of deposits into the Income Tax Refund Fund made from those
6 cash receipts.

7 (Source: P.A. 99-78, eff. 7-20-15; 100-22, eff. 7-6-17; 100-23,
8 eff. 7-6-17; 100-587, eff. 6-4-18; 100-621, eff. 7-20-18;
9 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-8-19.)

10 Section 20. The Illinois Municipal Code is amended by
11 changing Sections 8-12-3, 8-12-4, 8-12-10, 8-12-18, and
12 8-12-24 as follows:

13 (65 ILCS 5/8-12-3) (from Ch. 24, par. 8-12-3)

14 Sec. 8-12-3. As used in this Division:

15 (1) "Authority" means the "(Name of Financially Distressed
16 City) Financial Advisory Authority".

17 (2) "Financially distressed city" means any municipality
18 which: ~~is a home rule unit and which~~ (i) is a home rule unit
19 certified by the Department of Revenue as being in the highest
20 5% of all home rule municipalities in terms of the aggregate of
21 the rate per cent of all taxes levied pursuant to statute or
22 ordinance upon all taxable property of the municipality and as
23 being in the lowest 5% of all home rule municipalities in terms
24 of per capita tax yield, or is a non-home rule unit certified

1 by the Department of Revenue as being in the highest 5% of all
2 non-home rule municipalities in terms of the aggregate of the
3 rate per cent of all taxes levied pursuant to statute or
4 ordinance upon all taxable property of the municipality and as
5 being in the lowest 5% of all non-home rule municipalities in
6 terms of per capita tax yield; and (ii) is designated by joint
7 resolution of the General Assembly as a financially distressed
8 city.

9 (3) "Home rule municipality" means a municipality which is
10 a home rule unit as provided in Section 6 of Article VII of the
11 Illinois Constitution.

12 (4) "Budget" means an annual appropriation ordinance or
13 annual budget as described in Division 2 of Article 8, as from
14 time to time in effect in the financially distressed city.

15 (5) "Chairperson" means the chairperson of the Authority
16 appointed pursuant to Section 8-12-7.

17 (6) "Financial Plan" means the financially distressed
18 city's financial plan as developed pursuant to Section 8-12-15,
19 as from time to time in effect.

20 (7) "Fiscal year" means the fiscal year of the financially
21 distressed city.

22 (8) "Obligations" means bonds, notes or other evidence of
23 indebtedness issued by the Illinois Finance Authority in
24 connection with the provision of financial aid to a financially
25 distressed city pursuant to this Division and applicable
26 provisions of the Illinois Finance Authority Act.

1 (Source: P.A. 93-205, eff. 1-1-04.)

2 (65 ILCS 5/8-12-4) (from Ch. 24, par. 8-12-4)

3 Sec. 8-12-4. In order to receive assistance as provided in
4 this Division, a ~~home-rule~~ municipality shall first, by
5 ordinance passed by its corporate authorities, request (i) that
6 the Department of Revenue certify that it is in the highest 5%
7 of all home rule or non-home rule municipalities, respectively,
8 in terms of the aggregate of the rate per cent of all taxes
9 levied pursuant to statute or ordinance upon all taxable
10 property of the municipality and in the lowest 5% of all home
11 rule or non-home rule municipalities, respectively, in terms of
12 per capita tax yield, and (ii) that the General Assembly by
13 joint resolution designate it as a financially distressed city.
14 A ~~home-rule~~ municipality which is so certified and designated
15 as a financially distressed city and which desires to receive
16 assistance as provided in this Division shall, by ordinance
17 passed by its corporate authorities, request that a financial
18 advisory authority be appointed for the city and that the city
19 receive assistance as provided in this Division, and shall file
20 a certified copy of that ordinance with the Governor, with the
21 Clerk of the House of Representatives and with the Secretary of
22 the Senate. Upon the filing of the certified copies of that
23 ordinance as required by this Section this Division and all of
24 its provisions shall then and thereafter be applicable to the
25 financially distressed city, shall govern and control its

1 financial accounting, budgeting and taxing procedures and
2 practices, and, subject to the limitations of subsection (a) of
3 Section 8-12-22, shall remain in full force and effect with
4 respect thereto until such time as the financial advisory
5 authority established under Section 8-12-5 is abolished as
6 provided in subsection (c) of Section 8-12-22.

7 (Source: P.A. 86-1211.)

8 (65 ILCS 5/8-12-10) (from Ch. 24, par. 8-12-10)

9 Sec. 8-12-10. Any State agency or unit of local government,
10 within its respective function, may render such services and
11 technical assistance to the Authority as the Authority may
12 request. Upon the Authority's request any such agency or unit
13 of local government may transfer to the Authority such officers
14 and employees as the Authority and any such agency or unit of
15 local government deem necessary to carry out the Authority's
16 functions and duties. Officers and employees so transferred
17 shall not lose or forfeit their employment status or rights.

18 (Source: P.A. 86-1211.)

19 (65 ILCS 5/8-12-18) (from Ch. 24, par. 8-12-18)

20 Sec. 8-12-18. (a) The financially distressed city shall
21 meet its debt service obligations as they become due. No other
22 expenditure shall be made by the city unless it is consistent
23 with the Financial Plan and Budget in effect. The State shall
24 not reduce revenues or impose additional costs affecting the

1 city unless it is consistent with the Financial Plan and Budget
2 in effect.

3 (b) State mandates enacted while a city is designated as a
4 financially distressed city that would cause the city to incur
5 additional costs are not valid or enforceable against the city
6 during the period when the city is under the financially
7 distressed city designation.

8 (Source: P.A. 86-1211.)

9 (65 ILCS 5/8-12-24) (from Ch. 24, par. 8-12-24)

10 Sec. 8-12-24. A city ~~home rule unit~~ which is a financially
11 distressed city to which this Division is applicable as
12 provided in Section 8-12-4 may not employ financial or fiscal
13 accounting or budgetary procedures or systems, nor place into
14 effect any Financial Plan or Budget, nor enter into any
15 contract or make any expenditure, nor otherwise conduct its
16 financial and fiscal affairs or take other action in a manner
17 inconsistent with the provisions of this Division, until such
18 time as the powers and responsibilities of the Authority are
19 terminated as provided in Section 8-12-22. This Section is a
20 limitation under subsection (i) of Section 6 of Article VII of
21 the Illinois Constitution on the concurrent exercise by home
22 rule units which are financially distressed cities to which
23 this Division is applicable as provided in Section 8-12-4 of
24 powers and functions exercised by the State.

25 (Source: P.A. 86-1211.)

1 Section 99. Effective date. This Act takes effect January
2 1, 2020.

1 INDEX

2 Statutes amended in order of appearance

3 30 ILCS 105/5.891 new

4 30 ILCS 115/2 from Ch. 85, par. 612

5 35 ILCS 5/901 from Ch. 120, par. 9-901

6 65 ILCS 5/8-12-3 from Ch. 24, par. 8-12-3

7 65 ILCS 5/8-12-4 from Ch. 24, par. 8-12-4

8 65 ILCS 5/8-12-10 from Ch. 24, par. 8-12-10

9 65 ILCS 5/8-12-18 from Ch. 24, par. 8-12-18

10 65 ILCS 5/8-12-24 from Ch. 24, par. 8-12-24