



Sen. Robert F. Martwick

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10200SB1571sam001

LRB102 12624 AWJ 36491 a

1 AMENDMENT TO SENATE BILL 1571

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1571 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by  
5 changing Sections 11-10-1 and 11-10-2 and by adding Sections  
6 11-10-0.01 and 11-10-2.5 as follows:

7 (65 ILCS 5/11-10-0.01 new)

8 Sec. 11-10-0.01. Short title. This Division may be cited  
9 as the Foreign Fire Insurance License Fee Act.

10 (65 ILCS 5/11-10-1) (from Ch. 24, par. 11-10-1)

11 Sec. 11-10-1. (a) In each municipality or fire protection  
12 district, whether incorporated under a general or special law,  
13 which has a fire department established and maintained by  
14 municipal or fire protection district ordinances, every  
15 corporation, company, and association which is not

1 incorporated under the laws of this state and which is engaged  
2 in effecting fire insurance in the municipality or fire  
3 protection district, shall pay to the foreign fire insurance  
4 board or to the secretary of the fire protection district for  
5 the maintenance, use, and benefit of the fire department  
6 thereof, a sum of not exceeding 2% of the gross receipts  
7 received from fire insurance upon property situated within the  
8 municipality or district.

9 ~~Each municipality and fire protection district may~~  
10 ~~prescribe by ordinance the rate of the tax or license fee to be~~  
11 ~~paid, but this rate shall not exceed the rate specified in this~~  
12 ~~section.~~ Each designated corporation, company, and association  
13 shall pay the sum at the rate so prescribed by this subsection,  
14 upon the amount of all premiums which have been received  
15 during the year ending on every first day of July for all fire  
16 insurance effected or agreed to be effected on property  
17 situated within the municipality or fire protection district,  
18 by that corporation, company, or association respectively.

19 Every person who acts in any specified municipality or  
20 fire protection district as agent, or otherwise, on behalf of  
21 a designated corporation, company, or association, shall  
22 render to the treasurer of the foreign fire insurance board or  
23 secretary of the fire protection district, on or before the  
24 fifteenth day of July of each year, a full and true account,  
25 verified by his oath, of all of the premiums which, during the  
26 year ending on the first day of July preceding the report, were

1 received by him, or by any other person for him on behalf of  
2 that corporation, company, or association. He shall specify in  
3 this report the amounts received for fire insurance, and he  
4 shall pay to the treasurer ~~of the foreign fire insurance~~  
5 ~~board,~~ or to the secretary of the fire protection district, or  
6 to the treasurer's or secretary's designee, at the time of  
7 rendering this report, the sum ~~amount as determined by the~~  
8 ~~rate fixed by this subsection by the ordinance of the~~  
9 ~~municipality or fire protection district for which his~~  
10 ~~corporation, company, or association is accountable under this~~  
11 ~~section and the ordinance.~~

12 If this account is not rendered on or before the fifteenth  
13 day of July of each year, or if the sum due remains unpaid  
14 after that day, it shall be unlawful for any corporation,  
15 company, or association, so in default, to transact any  
16 business in the municipality or fire protection district until  
17 the sum due has been fully paid. But this provision shall not  
18 relieve any corporation, company, or association from the  
19 payment of any loss upon any risk that may be taken in  
20 violation of this requirement.

21 The amount of this ~~tax or~~ license fee may be recovered from  
22 the corporation, company, ~~or~~ association, or any third party  
23 which owes it, or from its agent, by an action brought by a  
24 foreign fire insurance board ~~in the name and for the use of the~~  
25 ~~municipality or fire protection district as for money had and~~  
26 ~~received.~~

1           The foreign fire insurance board ~~municipal comptroller, if~~  
2 ~~any, and if not, then the municipal clerk~~ or the secretary of  
3 the fire protection district, or the board's or secretary's  
4 authorized designee, may examine the books, records, and other  
5 papers and documents of a designated agent, corporation,  
6 company, or association for the purpose of verifying the  
7 correctness of the report of the amounts received for fire  
8 insurance.

9           This subsection is ~~section shall not be~~ applicable to  
10 receipts from contracts of marine fire insurance, ~~even though~~  
11 ~~they include insurance against fire, where the premium for the~~  
12 ~~fire insurance is not separately specified.~~

13           (b) A foreign fire insurance board aggrieved by a  
14 violation of this Section may file suit in the Circuit Court in  
15 the county where the alleged violation occurred.

16           (c) The regulation of a foreign fire insurance board and  
17 its license fees are exclusive powers and functions of the  
18 State. A home rule municipality may not regulate a foreign  
19 fire insurance board and its license fees. This Section is a  
20 denial and limitation of home rule powers and functions under  
21 subsection (h) of Section 6 of Article VII of the Illinois  
22 Constitution.

23           (Source: P.A. 95-807, eff. 8-12-08.)

24           (65 ILCS 5/11-10-2) (from Ch. 24, par. 11-10-2)

25           Sec. 11-10-2. (a) A ~~department~~ foreign fire insurance

1 board shall be created by and among the sworn members of ~~within~~  
2 the fire department of each municipality with fewer than  
3 500,000 inhabitants that has an organized fire department. The  
4 board shall consist of 7 trustees; the fire chief, who shall  
5 hold office by virtue of rank, and 6 members, who shall be  
6 elected at large by the sworn members of the department. If  
7 there is an insufficient number of candidates to fill all  
8 these positions, the number of board members may be reduced,  
9 but not to fewer than 3 trustees. All sworn members of the  
10 department shall be eligible to be elected as officers of the  
11 ~~department~~ foreign fire insurance board. The members of this  
12 board shall annually elect officers. These officers shall be a  
13 chairman, ~~and~~ a treasurer, and any other officers deemed  
14 necessary by the board. The members ~~trustees~~ of the ~~department~~  
15 foreign fire insurance board shall make all needful rules and  
16 regulations with respect to the ~~department~~ foreign fire  
17 insurance board and the management of the funds ~~money~~ to be  
18 paid ~~appropriated~~ to the board. The foreign fire insurance  
19 board may establish, manage, and maintain an account for the  
20 holding and expenditure of all funds paid to the board. The  
21 foreign fire insurance board may contract for the purchase of  
22 goods and services using funds paid to the board. Contracting  
23 for services includes, but is not limited to, the procurement  
24 and payment of all accounting, legal, collection, or other  
25 professional services deemed by the board to be necessary to  
26 the execution of its duties under this Division using funds

1 paid to the board. The foreign fire insurance board may sue all  
2 parties necessary to enforce its rights under this Section.  
3 The officers of the ~~department~~ foreign fire insurance board  
4 shall develop and maintain a listing of those items that the  
5 board feels are appropriate expenditures under this Act. ~~The~~  
6 ~~treasurer of the department foreign fire insurance board shall~~  
7 ~~give a sufficient bond to the municipality in which the fire~~  
8 ~~department is organized. This bond shall be approved by the~~  
9 ~~mayor or president, as the case may be, conditioned upon the~~  
10 ~~faithful performance by the treasurer of his or her duties~~  
11 ~~under the ordinance and the rules and regulations provided for~~  
12 ~~in this section.~~ The treasurer of the ~~department~~ foreign fire  
13 insurance board shall receive the funds paid as provided in  
14 Section 1 ~~appropriated money~~ and shall pay out the funds ~~money~~  
15 upon the order of the ~~department~~ foreign fire insurance board  
16 for the maintenance, use, and benefit of the department or as  
17 otherwise permitted by this Division. ~~These~~ ~~As part of the~~  
18 ~~annual municipal audit, these~~ funds shall be audited to verify  
19 that the funds have been expended by that board only for the  
20 maintenance, use, and benefit of the department using funds  
21 paid to the board. Contracting for services includes, but is  
22 not limited to, the procurement and payment of all accounting,  
23 legal, collection, or other professional services deemed by  
24 the board to be necessary to the execution of its duties under  
25 this Division using funds paid to the board.

26 Disputes between a fire chief and the remaining members of

1 a foreign fire insurance board concerning whether any  
2 expenditure of funds by the board is for the maintenance, use,  
3 or benefit of the department or for any other purpose  
4 authorized by this Division shall be resolved through binding  
5 arbitration, pursuant to a written arbitration agreement  
6 established by the foreign fire insurance board, that is  
7 recognized under the Uniform Arbitration Act. Arbitrations  
8 held pursuant to a written arbitration agreement are the  
9 exclusive remedy available for resolving such disputes.

10 (b) As used in this subsection, "active member" means a  
11 member of the Chicago Fire Department who is not receiving a  
12 disability pension, retired, or a deferred pensioner of the  
13 Firemen's Annuity and Benefit Fund of Chicago.

14 A department foreign fire insurance board is created  
15 within the Chicago Fire Department. The board shall consist of  
16 7 trustees who shall be initially elected on or before January  
17 1, 2019: the fire commissioner, who shall hold office by  
18 virtue of rank, and 6 elected trustees, who shall be elected at  
19 large by the sworn members of the department. If there is an  
20 insufficient number of candidates seeking election to each  
21 vacant trustee position, the number of board members is  
22 reduced to 5 trustees, including the fire commissioner of the  
23 department, until the next election cycle when there are  
24 enough active members seeking election to fill all 7 member  
25 seats. All active members are eligible to be elected as  
26 trustees of the department foreign fire insurance board. Of

1 the trustees first elected, 3 trustees shall be elected to a  
2 2-year term and 3 trustees shall be elected to a 3-year term.  
3 After the initial election, a trustee shall be elected for a  
4 term of 3 years. If a member of the board resigns, is removed,  
5 or is unable to continue serving on the board, the vacancy  
6 shall be filled by special election of the active members or,  
7 in the case of a vacancy that will exist for fewer than 180  
8 days until the term expires, by appointment by majority vote  
9 of the members of the board.

10 The members of the board shall annually elect officers.  
11 These officers shall be a chairman, treasurer, and secretary.  
12 The trustees of the board shall make rules and regulations  
13 with respect to the board and the management of the money  
14 appropriated to the board. The officers of the board shall  
15 develop and maintain a listing of those items that the board  
16 believes are appropriate expenditures under this subsection.  
17 The treasurer of the board shall give a sufficient bond to the  
18 City of Chicago. The cost of the bond shall be paid out of the  
19 moneys in the board's fund. The bond shall be conditioned upon  
20 the faithful performance by the treasurer of his or her duties  
21 under the rules and regulations provided for in this  
22 subsection. The treasurer of the board shall receive the  
23 appropriated proceeds and shall disburse the proceeds upon the  
24 order of the board for the maintenance, use, and benefit of the  
25 department consistent with this subsection. As part of the  
26 annual municipal audit, these funds shall be audited to verify



1 that the funds have been expended lawfully by the board  
2 consistent with this subsection.

3       Within 30 days after receipt of any foreign fire insurance  
4 proceeds by the City of Chicago, the City of Chicago shall  
5 transfer the proceeds to the board by depositing the proceeds  
6 into an account determined by the board, except that if the  
7 effective date of this amendatory Act of the 100th General  
8 Assembly is after July 31, 2018, then the City of Chicago  
9 shall, for budget year 2019 only, transfer only 50% of the  
10 proceeds to the board. Notwithstanding any other provision of  
11 law: 50% of the foreign fire insurance proceeds received by  
12 the board shall be used for the maintenance, use, benefit, or  
13 enhancement of fire stations or training facilities used by  
14 the active members of the fire department; 25% of the foreign  
15 fire insurance proceeds received by the board shall be used  
16 for the maintenance, use, benefit, or enhancement of emergency  
17 response vehicles, tools, and equipment used by the active  
18 members of the department; and 25% of the foreign fire  
19 insurance proceeds received by the board shall be used for the  
20 maintenance and enhancement of the department and for the use  
21 and benefit of the active members of the department in a manner  
22 otherwise consistent with this subsection. Foreign fire  
23 insurance proceeds may not be used to purchase, maintain, or  
24 enhance personal property of a member of the department,  
25 except for personal property used in the performance of his or  
26 her duties or training activities.

1 (c) The provisions of this Section shall be the exclusive  
2 power of the State, pursuant to subsection (h) of Section 6 of  
3 Article VII of the Constitution.

4 (Source: P.A. 100-656, eff. 7-31-18.)

5 (65 ILCS 5/11-10-2.5 new)

6 Sec. 11-10-2.5. Collection of licensing fees. A foreign  
7 fire insurance board created under this Division has the sole  
8 and exclusive authority to collect all licensing fees required  
9 to be paid by foreign fire insurance companies, corporations,  
10 associations, or third parties under this Division. This  
11 authority includes the right to designate a representative or  
12 agent authorized to collect such fees on their behalf.

13 A board created pursuant to subsection (a) of Section 2  
14 that does not collect licensing fees on its own accord, or that  
15 does not designate an authorized representative or agent to  
16 collect the fees on their behalf, shall have all fees  
17 collected on its behalf by a statewide organization of  
18 municipalities recognized under Section 1-8-1.

19 Licensing fees collected from foreign fire insurance  
20 companies, corporations, associations, or third parties under  
21 a representative or agent authorized to do so by a foreign fire  
22 insurance board or by a statewide organization of  
23 municipalities recognized under Section 1-8-1 shall be paid  
24 promptly and directly to the treasurer of the foreign fire  
25 insurance board, less reasonable costs and expenses associated

1 with the collection of the fees, as agreed to by the board.

2           Section 99. Effective date. This Act takes effect January  
3 1, 2023.".