



Rep. Jack D. Franks

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LRB098 03257 OMW 44259 a

1 AMENDMENT TO HOUSE BILL 439

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 439 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Counties Code is amended by adding the  
5 Division 5-44 to Article 5 and Sections 5-44005, 5-44010,  
6 5-44015, 5-44020, 5-44025, 5-44030, 5-44035, 5-44040, 5-44045,  
7 5-44050, and 5-44055 as follows:

8 (55 ILCS 5/Div. 5-44 heading new)

9 Division 5-44.

10 Local Government Reduction and Efficiency

11 (55 ILCS 5/5-44005 new)

12 Sec. 5-44005. Findings and purpose.

13 (a) The General Assembly finds:

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

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

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

7           (4) It is in the best interest of taxpayers that more  
8           efficient service delivery structures be established in  
9           order to replace units of local government that are not  
10           financially sustainable.

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

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17           and outdated.

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

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

1 functions.

2 (55 ILCS 5/5-44010 new)

3 Sec. 5-44010. Powers; supplemental. The provisions of this  
4 Division are intended to be supplemental and in addition to all  
5 other powers or authorities granted to any governmental unit,  
6 shall be construed liberally, and shall not be construed as a  
7 limitation of any power or authority otherwise granted.

8 (55 ILCS 5/5-44015 new)

9 Sec. 5-44015. Applicability. This Division applies only to  
10 counties with a population of more than 900,000 and less than  
11 3,000,000 that are contiguous to a county with a population of  
12 more than 3,000,000 and units of local government within these  
13 counties.

14 (55 ILCS 5/5-44020 new)

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

16 "Governing board" means the individual or individuals who  
17 constitute the corporate authorities of a unit of local  
18 government.

19 "Unit of local government" or "unit" means any unit of  
20 local government located entirely within one county, to which  
21 the county board chairman or county executive directly appoints  
22 a majority of the governing board or appoints a majority of its  
23 governing board with the advice and consent of the county

1 board, but shall not include a fire protection district that  
2 directly employs more than 3 regular full-time employees.

3 (55 ILCS 5/5-44025 new)

4 Sec. 5-44025. Authority of a county board to dissolve units  
5 of local government.

6 (a) A county board may by ordinance propose the dissolution  
7 of any unit of local government as defined under Section  
8 5-44020 of this Division. The ordinance shall detail the  
9 purpose and cost savings to be achieved by the dissolution and  
10 shall be published in a newspaper of general circulation in the  
11 area served by the unit of local government and on the county's  
12 website, if it has one.

13 (b) Upon the effective date of an ordinance enacted  
14 pursuant to subsection (a) of this Section, the chairman of the  
15 county board shall cause an audit of (1) all claims against the  
16 unit, (2) all receipts of the unit, (3) the inventory of all  
17 real and personal property owned by the unit or under its  
18 control or management, (4) any debts owed by the unit, and (5)  
19 may, in his or her discretion, undertake any other audit or  
20 financial review of the affairs of the unit. The person or  
21 entity conducting the audit shall report its findings to the  
22 county board and to the chairman of the county board within 30  
23 days.

24 (c) Following the return of the audit report required by  
25 subsection (b) of this Section, the county board may adopt an

1 ordinance dissolving the unit 120 days following the effective  
2 date of the ordinance. Upon adoption of the ordinance, but  
3 prior to its effective date, the chairman of the county board  
4 shall petition the circuit court for an order designating a  
5 trustee-in-dissolution for the unit, immediately terminating  
6 the terms of the members of the governing board of the unit of  
7 local government on the effective date of the ordinance, and  
8 providing for the compensation of the trustee, which shall be  
9 paid from the corporate funds of the unit.

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

18 (55 ILCS 5/5-44030 new)

19 Sec. 5-44030. Powers and duties of the  
20 trustee-in-dissolution. The trustee-in-dissolution shall have  
21 the following powers and duties:

22 (a) execute all of the powers and duties of the previous  
23 board;

24 (b) review all records of the unit of local government;

25 (c) levy and rebate taxes, subject to the approval of the

1 county board, for the purpose of paying the debts, obligations,  
2 and liabilities of the unit that are outstanding on the date of  
3 the dissolution and the necessary expenses of closing up the  
4 affairs of the district if these funds are not available from  
5 the unit of local government's general fund;

6 (d) present, within 14 days of his or her appointment, a  
7 plan for the consolidation and dissolution of the unit of local  
8 government to the county board for its approval. The plan shall  
9 identify what functions, if any, of the unit of local  
10 government shall be undertaken by the county upon dissolution  
11 and whether any taxes previously levied for the provision of  
12 these functions shall be maintained;

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

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

21 (g) sell the property of the unit and, in case any excess  
22 remains after all liabilities of the unit are paid, the excess  
23 shall be transferred to a special fund created and maintained  
24 by the county treasurer to be expended solely to defer the  
25 costs incurred by the county in performing the duties of the  
26 unit, subject to the requirements of Section 5-44035 of this

1 Division. Nothing in this Section shall prohibit the county  
2 from acquiring any or all real or personal property of the  
3 district.

4 (55 ILCS 5/5-44035 new)

5 Sec. 5-44035. Outstanding indebtedness.

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

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

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

24 (55 ILCS 5/5-44040 new)

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

4       (a) Notwithstanding the provisions of the Special Service  
5 Area Tax Law that pertain the establishment of special service  
6 areas, all or part of the territory formerly served by the unit  
7 of local government may be established as a special service  
8 area or areas of the county if the county board determines that  
9 this designation is necessary for it to provide services. If  
10 the boundaries of a special service area created under Section  
11 5-44035 of this Division include territory within a  
12 municipality, the corporate authorities of that municipality  
13 may, with the consent of the county, assume responsibility for  
14 the special service area and become its governing body.

15       (b) In addition to any other powers provided by law, the  
16 governing body of a special service area created pursuant to  
17 Section 5-44035 of this Division shall assume and is authorized  
18 to exercise all the powers and duties of the dissolved unit  
19 with respect to the special service area. The governing body is  
20 also authorized to continue to levy any tax previously imposed  
21 by the unit of local government within the special service  
22 area.

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



1 (55 ILCS 5/5-44045 new)

2 Sec. 5-44045. Abatement of levy. Whenever a county has  
3 dissolved a unit of local government pursuant to this Division,  
4 it shall, within 6 months of the effective date of the  
5 dissolution and every year thereafter, evaluate the need to  
6 continue any existing tax levy until the county board abates  
7 the levy in the manner proscribed by the Special Service Area  
8 Law.

9 (55 ILCS 5/5-44050 new)

10 Sec. 5-44050. Tax collection. The dissolution of a unit of  
11 government pursuant to this Division shall not adversely affect  
12 proceedings for the collection or enforcement of any tax and  
13 shall proceed to finality as though no dissolution had taken  
14 place. The proceeds thereof shall be paid over to the treasurer  
15 of the county to be used for the purpose for which the tax was  
16 levied or assessed. Proceedings to collect and enforce these  
17 taxes may be instituted and carried on in the name of the unit.

18 (55 ILCS 5/5-44055 new)

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

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