



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2481

by Rep. Dennis M. Reboletti

SYNOPSIS AS INTRODUCED:

- 55 ILCS 5/Div. 5-44 heading new
- 55 ILCS 5/5-44005 new
- 55 ILCS 5/5-44010 new
- 55 ILCS 5/5-44015 new
- 55 ILCS 5/5-44020 new
- 55 ILCS 5/5-44025 new
- 55 ILCS 5/5-44030 new
- 55 ILCS 5/5-44035 new
- 55 ILCS 5/5-44040 new
- 55 ILCS 5/5-44045 new
- 55 ILCS 5/5-44050 new
- 55 ILCS 5/5-44055 new

Amends the Counties Code. Adds a Division addressing local government reduction and efficiency. Provides the General Assembly's findings regarding units of local government and possible inefficiencies. Provides that in certain counties, the county board may enact an ordinance proposing the dissolution of a unit of local government and, upon the effective date of that ordinance, the chairman of the county board shall issue an audit of the unit. Provides that following the return of this audit report, the county board may adopt an ordinance to dissolve the unit. Provides for a court-appointed trustee-in-dissolution that shall create and implement a plan for consolidation and dissolution of the unit of local government and exercise powers including, but not limited to, the powers and duties of the board of the dissolved unit of government, levying and rebating taxes, and entering into intergovernmental agreements to combine and transfer the functions of the dissolved unit. Further provides for any outstanding indebtedness of the unit, abatement of any tax levied by the unit, and pending litigation involving the unit. Effective immediately.

LRB098 10582 OMW 40844 b

1 AN ACT concerning local government, which shall be known as
2 the Government Reduction and Efficiency Law of 2013.

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

5 Section 5. The Counties Code is amended by adding the
6 Division 5-44 to Article 5 and Sections 5-44005, 5-44010,
7 5-44015, 5-44020, 5-44025, 5-44030, 5-44035, 5-44040, 5-44045,
8 5-44050 and 5-44055 as follows:

9 (55 ILCS 5/Div. 5-44 heading new)

10 Division 5-44.

11 Local Government Reduction and Efficiency

12 (55 ILCS 5/5-44005 new)

13 Sec. 5-44005. Findings. The General Assembly finds:

14 (a) Illinois has more units of local government than any
15 other state;

16 (b) The large number of units of local government results
17 in the inefficient delivery of governmental services at a
18 higher cost to taxpayers;

19 (c) In a number of cases, units of local government provide
20 services that are duplicative in nature because they are
21 provided by other units of local government;

22 (d) It is in the best interest of taxpayers that more

1 efficient service delivery structures are established in order
2 to replace units of local government that are not financially
3 sustainable;

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

8 (f) Various provisions of Illinois law governing the
9 dissolution of units of local government are inconsistent and
10 outdated;

11 (g) The lack of a streamlined method to consolidate
12 government functions and dissolve units of local government
13 results in an unfair tax burden on the citizens of the State of
14 Illinois residing in those units of local government than would
15 otherwise be necessary and prevents the expenditure of limited
16 public funds for critical programs and services;

17 (h) The General Assembly deems it advisable and in the best
18 interests of the residents of Illinois that local governments
19 exercise supplemental authority regarding the dissolution of
20 units of local government and the consolidation of governmental
21 functions.

22 (55 ILCS 5/5-44010 new)

23 Sec. 5-44010. Powers; supplemental. The provisions of this
24 Division are intended to be supplemental and in addition to all
25 other powers or authorities granted to any governmental unit,

1 shall be construed liberally, and shall not be construed as a
2 limitation of any power or authority otherwise granted.

3 (55 ILCS 5/5-44015 new)

4 Sec. 5-44015. Applicability. This Division applies only to
5 counties with a population of more than 900,000 and less than
6 3,000,000 that are contiguous to a county with a population of
7 more than 3,000,000 and units of local government within these
8 counties.

9 (55 ILCS 5/5-44020 new)

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

11 "Governing board" means the individual or individuals who
12 constitute the corporate authorities of a unit of local
13 government.

14 "Unit of local government" or "unit" means any unit of
15 local government located entirely within one county, to which
16 the county board chairman or county executive directly appoints
17 a majority of the governing board or appoints a majority of its
18 governing board with the advice and consent of the county
19 board, but shall not include a fire protection district that
20 directly employs more than 3 regular full-time employees.

21 (55 ILCS 5/5-44025 new)

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

1 (a) A county board may by ordinance propose the dissolution
2 of any unit of local government as defined under Section
3 5-44020 of this Division. The ordinance shall detail the
4 purpose and cost savings to be achieved by the dissolution and
5 shall be published in a newspaper of general circulation in the
6 area served by the unit of local government and on the county's
7 website, if it has one.

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

19 (c) Following the return of the audit report required by
20 subsection (b) of this Section, the county board may adopt an
21 ordinance dissolving the unit 120 days following the effective
22 date of the ordinance. Upon adoption of the ordinance, but
23 prior to its effective date, the chairman of the county board
24 shall petition the circuit court for an order designating a
25 trustee-in-dissolution for the unit, immediately terminating
26 the terms of the members of the governing board of the unit of

1 local government on the effective date of the ordinance, and
2 providing for the compensation of the trustee, which shall be
3 paid from the corporate funds of the unit.

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

12 (55 ILCS 5/5-44030 new)

13 Sec. 5-44030. Powers and duties of the
14 trustee-in-dissolution. The trustee-in-dissolution shall have
15 the following powers and duties:

16 (a) To execute all of the powers and duties of the previous
17 board;

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

24 (c) To present, within 14 days of his or her appointment, a
25 plan for the consolidation and dissolution of the unit of local

1 government to the county board for its approval. The plan shall
2 identify what functions, if any, of the unit of local
3 government shall be undertaken by the county upon dissolution
4 and whether any taxes previously levied for the provision of
5 these functions shall be maintained;

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

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

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

23 (55 ILCS 5/5-44035 new)

24 Sec. 5-44035. Outstanding indebtedness.

25 (a) In case any unit dissolved pursuant to this Division

1 has bonds or notes outstanding that are a lien on funds on hand
2 in the treasury at the time of consolidation, the lien shall be
3 unimpaired by the dissolution and shall continue in favor of
4 the bond or note holders. The funds on hand subject to a lien
5 shall be set apart and held for the purpose of retiring the
6 secured debt, and no such funds shall be transferred into the
7 general funds of the county.

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

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

18 (55 ILCS 5/5-44040 new)

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

22 (a) Notwithstanding the provisions of the Special Service
23 Area Tax Law that pertain the establishment of special service
24 areas, all or part of the territory formerly served by the unit
25 of local government may be established as a special service

1 area or areas of the county if the county board determines that
2 this designation is necessary for it to provide services. If
3 the boundaries of a special service area created under Section
4 5-44035 of this Division include territory within a
5 municipality, the corporate authorities of that municipality
6 may, with the consent of the county, assume responsibility for
7 the special service area and become its governing body.

8 (b) In addition to any other powers provided by law, the
9 governing body of a special service area created pursuant to
10 Section 5-44035 of this Division shall assume and is authorized
11 to exercise all the powers and duties of the unit with respect
12 to the special service area. The governing body is also
13 authorized to continue to levy any tax previously imposed by
14 the unit of local government within the special service area.

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

18 (55 ILCS 5/5-44045 new)

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

1 (55 ILCS 5/5-44050 new)

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

10 (55 ILCS 5/5-44055 new)

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

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