

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

6 (70 ILCS 3715/28)

7 Sec. 28. Cessation or dissolution of authority
8 organization.

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

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

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

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

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

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

4 The proposition shall be in substantially the following
 5 form:

6 -----
 7 "Shall the (name of YES
 8 water authority) -----
 9 be dissolved?" NO
 10 -----

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

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

1 To the extent that the authority has entered into a
2 multiyear lease on a real property asset (including, but not
3 limited to, surface water property) that it possesses, the
4 court, upon application of the trustees, may order the trustees
5 to arrange the transfer of such real property asset, instead of
6 liquidating the real property asset, to a unit of local
7 government with legal authority to operate the real property
8 asset. Such transfer may be made with or without compensation
9 in the discretion of the court in accordance with this
10 paragraph. In determining whether compensation shall be paid,
11 the court shall determine if the same or substantially similar
12 groups of citizens will benefit from the real property asset
13 after transfer. To the extent that the same or substantially
14 similar groups of citizens will continue to benefit from the
15 real property asset, the court is not required to order
16 compensation paid by the receiving unit of local government to
17 the authority. To the extent that a substantial change occurs
18 to the groups of citizens that will benefit from the real
19 property asset after the transfer, the court shall determine,
20 after receiving input from the trustees and the unit of local
21 government, an equitable method of compensation, after
22 receiving input from the trustees and the unit of local
23 government, to be received from the unit of local government to
24 whom the real property asset is being transferred. The court
25 shall liberally construe this provision to provide for an
26 equitable determination of relative benefit.

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

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

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

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

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

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