

**Item #20:**  
**Village Clerk Schultheis**  
**Legislative Update**

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**From:** Legislation [Legislation@iml.org]  
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**IML STATEHOUSE BRIEFING**  
**“On the ground news and insider information!”**  
**3-4-10**

This past week saw a great deal of activity as State Senators actively sought to move their bills out of committees ahead of the March 5 deadline. The IML was successful in advancing our own initiatives out of substantive committees as well as defeating a few costly mandates.

**Health Insurance Cost Increase:** The IML is pleased to inform our members that [SB 3335](#) (Senator Frerichs, D-Champaign) was **not called for a vote before the Senate Labor Committee because the bill lacked sufficient votes** for passage. SB 3335 would have allowed firefighters to rejoin the municipal group health insurance plan years after separating from service. The bill would have imposed significant costs and would have required all municipal employees to subsidize a benefit option that would have only been available to firefighters.

**Employer Pension Cost Cap:** [SB 2574](#) (Senator Althoff, R-McHenry) was approved by the Senate Pensions and Investments Committee on Wednesday, March 3. The bill imposes a two-year, ten percent cap on rising employer pension contributions. **SB 2574 may be the vehicle for further pension reforms** pursuant to negotiations between municipalities and public safety unions. Senator Althoff committed to holding the bill on Second Reading while negotiations occur. **IML SUPPORTS**

**Firefighter Pension Credit:** [HB 4657](#) (Representative Gordon, D-Coal City) would have allowed firefighters to purchase one year of pension service for every five years of service as a volunteer or on-call firefighter. The bill as introduced would have required that municipalities approve the purchase of the pension service, but an amendment adopted in the House Personnel and Pensions Committee on Thursday, March 4 **proposed to eliminate the employer option**. The IML opposed the amendment and testified against the bill based upon the potential for additional pension costs. HB 4657 was held in committee after failing to garner sufficient votes for passage. It is expected that the bill will be voted on again next week. **IML OPPOSES**

**Financially Distressed Pension Funds:** [HB 5417](#) (Representative McCarthy, D-Orland Park) would strip language from the downstate and suburban police pension statute that protects municipal governments and their taxpayers from the consequences of pension fund insolvency. The language within the statute permits pension benefits to be paid on a pro rata basis when a pension fund has insufficient funds to make full payments to each pensioner. Removing this very reasonable statutory protection could **expose municipal governments to additional pension costs and the**

**prospect of asset liquidation** in order to pay pensioners the full value of their pension each month. The bill was approved by the House Personnel and Pensions Committee on Thursday, March 4. **IML OPPOSES**

**Pension Report:** [HB 5873](#) (Representative Flider, D-Mt. Zion) was amended in the House Personnel and Pensions Committee on Thursday, March 4 to require that pension data compiled by local police and fire pension funds and forwarded to municipal governments also be forwarded to the Illinois Department of Insurance for annual publication. The IML authored the amendment in conjunction with Representative Flider. **IML SUPPORTS**

**Government Official Investment Ownership:** [SB 3313](#) (Senator Bond, D-Grayslake) would provide an exemption from recusal and disclosure requirements for government officials that own 1% or less of a company in an Exchange Traded Fund. This exemption already exists for mutual fund ownership. **IML INITIATIVE**

**Eminent Domain—Waterworks Valuations:** [HB 5485](#) (Representative Kosel, R-Mokena) passed out of committee and is now up for a vote on the House Floor. This bill contains **reasonable standards for setting the value of a water works or sewage system** in eminent domain proceedings. Under the bill, the value of those systems must be based on the value of the assets of the system—not on projections of future earnings based on skyrocketing water rates. Municipalities that own their own water systems can charge their customers far less. **Call your Representatives and ask them to support HB 5485.** **IML SUPPORTS**

**Municipal Census—Number of Alderman:** HB 5970 (Representative Hatcher, R-Yorkville) was approved by the House Cities & Villages Committee and is on the House Floor. This bill **protects the city's ability to retain the number of aldermen serving on the council.** Under current law, cities could pass an ordinance 180 days prior to the next municipal election after receiving the decennial census. There is a concern that the census figures could be released early and municipalities would not have been able to adopt an ordinance in time to use the alternative ranges found in the statute. This legislation alleviates this concern. HB 5970 also clarifies that the number of aldermen is based upon the decennial census figures and not any special or partial census. **IML INITIATIVE**

**Quotas for Police Officers:** HB 6035 (Representative Bradley, D-Marion) **prohibits counties and municipalities from requiring a designated number of tickets to be written by police officers and from using that information in performance evaluations.** Often, a police officer's evaluation is based upon a number of his or her duties, including the number of tickets written. This legislation would have prohibited a police officer's supervisor from evaluating that part of the officer's performance. The bill failed in the House Cities & Villages Committee; however, the sponsor still has one week to bring it back for a vote. **IML OPPOSES**

**Non-Home Rule Sales Tax:** SB 3134 (Senator Harmon, D-Oak Park) **allows non-home rule communities that, in the future, pass a non-home rule sales tax to use the proceeds for municipal operations through 2015.** Currently, the use of the proceeds is limited to infrastructure improvements and property tax relief. **IML SUPPORTS**