



# Legislative Update

DUPAGE MAYORS AND MANAGERS CONFERENCE

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UPDATE #18-2009

## VETO SESSION FINAL UPDATE

The General Assembly finished the Veto Session October 30. Several bills of concern were monitored, and many were resolved favorably to municipalities. But not all – the details are listed below.

In January, the 96<sup>th</sup> General Assembly will begin the 2010 session. Due to the February 2 Primary Election, only 3 session days are scheduled in January.

**Mark your calendar for the 2010 Springfield Drive Down – March 16 and 17.**

For more information on these or other legislative issues, contact DMMC Legislative Director Rick Curneal at (630) 571-0480, x225; Legislative Associate Michelle Kelm at (217) 725-2082; or consult the Illinois General Assembly's website at [www.ilga.gov](http://www.ilga.gov).

### VETOES AND AMENDATORY VETOES

#### HB 3325 – Tinted Car Windows (Amendatory Veto)

This bill permits a person to drive a motor vehicle with tinted windows on the side windows adjacent to each side of the driver. **The General Assembly overrode the Governor's Amendatory Veto. It now becomes law.**

#### SB 1595 – Horse Racing Act Amendment (Amendatory Veto)

Senate Bill 1595 addresses some changes to the Horse Racing Act. The Governor's Amendatory Veto was used to change a provision in the Video Gaming Act (video poker). The change made by the Governor affects the provision that permits a referendum on banning video poker within a community. **This bill died.**

#### SB 1662 – Political Committee Filings [and Ethics Ordinances by Referendum] (Amendatory Veto)

This bill amends the Election Code concerning political committees. The Governor, using an amendatory veto, has morphed the bill into a local government nightmare that would allow a binding ordinance "relating to ethical standards" proposed by a citizen petition. With sufficient signatures (8% of total votes cast for Governor in last general election in municipality), the proposed ordinance could go to referendum. **This bill died.**

## CURRENT LEGISLATION

### HJR 30 – Western Access and Elgin-O’Hare Expressway

PASSED THE HOUSE, IN SENATE COMMITTEE ON ASSIGNMENTS

This resolution is supported by DuPage municipalities in the area around O’Hare airport. It provides for the Illinois State Toll Highway Authority to bond and construct the roadway elements to support the O’Hare Modernization Program. **The Resolution was scheduled for a hearing during the Veto Session, but the Senate Chief Sponsor held the Resolution in committee.**

### SB 43 – Prevailing Wage for TIF Districts

PASSED THE SENATE, ON HOUSE CALENDAR FOR SECOND READING

This legislation requires that the Prevailing Wage would apply to all projects in a TIF district, including privately funded projects. **There was no action on this during Veto Session, but it could return during the 2010 session.**

### SB 1894 (formerly SB 268) – Foreclosure Notice and Lien Protection

Senate Bill 1894 provides three important tools for municipalities to deal with foreclosed and abandoned properties:

- PROVIDE NOTICE TO LOCAL GOVERNMENTS.
- REQUIRE FINANCIAL INSTITUTIONS TO MAINTAIN VACANT PROPERTIES.
- RECOVER LOCAL GOVERNMENT COSTS FOR VACANT PROPERTY.

**This bill passed the General Assembly and awaits the Governor’s approval.**

### SB 2011 – Reset Amortization Period for Police and Fire Pension Systems

PASSED THE SENATE AND ASSIGNED TO HOUSE PERSONNEL AND PENSIONS COMMITTEE

Municipalities worked to move this bill through the House, doing so while still trying to negotiate with public safety unions. Ultimately, negotiations broke down and no agreement could be reached. Attached are letters from the Associated Fire Fighters of Illinois and the Fraternal Order of Police that you may find interesting reading. **No movement of the bill.**

### SB 2109 – Lobbyist Registration

Currently a shell bill, an amendment is pending that would amend Public Act 96-0555 (Senate Bill 54). The Public Act, passed earlier this year, raises the registration fees for lobbyists from \$150 to \$1,000. For the Conference, that means an increase from \$644 to \$4,000. The pending amendment does not address the fee increase, but efforts are underway to roll back the fee increases. **No action on the fee issue.**

### SB 2106 – Diversion of 9-1-1 Surcharge Fees to Purchase Automated External Defibrillators

After approval by the Senate, this bill was referred to the House Executive Committee. In committee on the first day of the Veto Session, the bill was amended to remove the current language about the 9-1-1 surcharge and add provisions that are unrelated to the original legislation. **The diversion of the fee was successfully removed.**

### SB 2188 – Litigation that Affects 5-year Time Limit to Issue Voter-approved Bonds

With this legislation, if a lawsuit is filed before voter-approved bonds are issued, the 5-year time limit for issuing the bonds would be “tolled”. The time limit would stop while the litigation runs its course. After the litigation is settled, the time limit would resume. **This bill passed the General Assembly and awaits the Governor’s approval.**

SB 1471 – Cemetery Care Act

In response to the criminal activity at the Burr Oaks Cemetery, Senate Bill 1471 provides reforms and significant regulatory provisions. Initially, the bill included all cemeteries in the state. After some negotiations, cemeteries owned by local governments and religious organizations received a partial exemption from the regulations. **This bill passed the House during the Veto Session, but was held in the Senate. It is likely to be taken up again in January.**

**POTENTIAL LEGISLATION**

Red Light Camera Enforcement

Newspaper stories have sensationalized the complaints of a few vocal recipients of citations for violating traffic laws at intersections with red light cameras. As a result, there have been calls for legislative action to restrict or remove the authority of municipalities to continue to promote vehicle safety for their residents. **No action was taken on this issue during Veto Session.**

Commercial FOIA Requests

One of the biggest burdens that communities face under the new FOIA statutes is the issue of commercial requests. Under the new changes, public bodies must respond to FOIA requests that are made for commercial purposes. While there is some greater flexibility in the time limits, public bodies must still provide the information and may not charge more than the *de minimis* fee allowed for noncommercial requests. **No action was taken on this issue during Veto Session.**

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**Pension Reform**

Posted On: Oct 30, 2009

Throughout this year's session of the Illinois General Assembly, the AFFI has made it clear that we will negotiate seriously for long-lasting and meaningful pension reform. Toward that end we worked hard and in good faith with dozens of Illinois legislators who share our desire to enact reliable pension reforms for those of us entrusted with the public's safety.

In a spirit of cooperation, the AFFI developed a proposal to cap property tax increases at 10 percent for 2010. The AFFI's proposal asked for nothing in return except for a good-faith commitment from the municipal groups to negotiate for long-term stability for firefighters as well as the taxpayers we serve. Along every step of the process, the AFFI made it clear we are willing to negotiate reforms but only if local governments are willing to address the defects that got us into pension underfunding in the first place.

Unfortunately, the Northwest Municipal Conference (NWMC) insisted right up to the end of this week's veto session to push for either a 40-year extension of the amortization period or a multiple year contribution limitation that would drastically increase the unfunded liability in our plans. Neither proposal submitted by the NWMC included any reform measures to address the root cause of our funding issues – responsible long term funding practices.

The headstrong insistence by the NWMC may well have scuttled the efforts of well-meaning legislators to solve, once and for all, the pension shortfalls and funding issues that face almost all Illinois local governments. Even *The Daily Herald*, the local newspaper for the NWMC communities, commended our efforts to cap property tax increases during this period of economic uncertainty and budget tightening. Wrote *The Daily Herald* in an editorial published October 24:

*"This is reasonable, even for those of us who normally oppose government postponements of financial obligations."*

It would not be fair for us to assume the motives of the NWMC. However, we suspect that at least some of its members would have a hard time hiding their glee at the possibility of breaking up public employee local bargaining units. This is unfortunate because the AFFI, as well as our counterparts in law enforcement, have publicly recognized our willingness to share the sacrifices it will take to bring us out of this national economic crisis.

Your AFFI legislative committee stands ready to negotiate on the shortest conceivable notice any reasonable attempts to *reform* firefighters' pensions as prescribed by Illinois statutes. Furthermore, we are confident our commitment is shared by members of the Illinois General Assembly.

## **Fraternal Order of Police Illinois Labor Council**

### **Illinois Municipal League Rejects Pension Funding**

The Illinois Municipal League does not want its municipal members to be required to fund police pensions, but the FOP Labor Council is fighting hard to make sure that they do. The Illinois Municipal League and the Northwest Municipal Conference are driving the adoption of Senate Bill 2011 which changes the accrual level of its reserves needed to fund pension liabilities. They want to run out the accrual for another 40 years, but they resist the FOP Labor Council's proposal to make the municipalities liable for their pension obligations. By resisting the FOP Labor Council's proposal and insisting on their own plan to run out the accrual period, the Illinois Municipal League has revealed its thinly veiled intention to walk away from their pension obligations if their funds become insolvent. The FOP Labor Council vows to fight the Illinois Municipal League's irresponsible efforts to walk away from its responsibilities. The FOP Labor Council's Executive Director David Wickster realized the dangers of the Illinois Municipal League's efforts and immediately notified our supporters of the problems. The Illinois Municipal League's bill is designed to change the playing field for the municipalities' funding of its pension obligations. Currently, if a pension fund has reserves less than the accrued liabilities of the fund, the board of the pension fund must designate the amount calculated as a level percentage of payroll needed to annually insure the accumulation of the reserve to the fund's accrued liabilities over a period of 40 years from July 1, 1993. SB 2011 seeks to change this playing field by moving the accrual goal posts from July 1, 1993 to July 1, 2009 thus ensuring that the funds are underfunded.

On October 9, 2009, Executive Director Wickster was invited to attend a meeting with the Chair of the House Personnel and Pensions Committee, Representative Kevin McCarthy and House Majority Leader Barbara Flynn Currie to discuss this bill. Also participating in this meeting, among others, were representatives of the AFFI, Chicago Board of Education, IFOP State Lodge, Mayors from several municipalities, representatives of the Illinois Municipal League and the Northwest Municipal Conference, along with Speaker Madigan's Chief of Staff. The FOP Labor Council and the State FOP were the only law enforcement representatives that attended this meeting. The parties met again on this issue on October 13, 2009.

At this meeting, David Wickster aggressively opposed this bill and insisted that the municipalities fund their longstanding pension obligations. To that end, the FOP Labor Council proposed changing an existing section to the Pension Code that allows municipalities to get off the hook if their pension funds are insolvent. The FOP Labor Council proposed to remove this loop hole and mandate that the municipalities be directly liable for funding these obligations and benefits that our members have worked so long and perilously to obtain. Without the FOP Labor Council's proposal, SB2011, if enacted, would allow municipalities to reduce the amount of their required pension contributions and foster municipalities' indifference to underfunding issues because they are not currently liable to fully fund their pension obligations. Currently if the pension fund becomes insolvent, the municipalities are not liable to make good on the obligations.

After significant discussions, the Illinois Municipal League agreed to remove its proposal to change the actuarial period and agreed to the FOP Labor Council's proposal to remove the language from the law that does not make them liable in the event of insolvency, in exchange for

a one year 10% cap on increased pension funding similar to that adopted by the IMRF. The FOP Labor Council agreed to this. Shortly thereafter, the Illinois Municipal League backed out of this agreement opting instead to redouble its efforts to pass SB2011.

As part of the Illinois Municipal League's report to it members, it gave the FOP Labor Council a very honorable mention. In its report, the Illinois Municipal League stated: "[d]uring a second meeting on Tuesday, October 13, 2009, the Fraternal Order of Police demanded language that makes municipal governments solely liable for any shortfalls in the pension funds." It then declared "[i]f a pension fund is no longer financially viable, pensioners cannot and should not be put ahead of residents who are in need of basic municipal services." Police Officers throughout the State of Illinois have spent their lives protecting the safety and well being of the residents of their communities. Their pension rights have long been determined and known to the municipalities and so has the funding obligations. Those members have always made their contributions to their pension funds. These pension funds will continue to be "viable" as long as the municipalities responsibly fund them. The FOP Police Labor Council will continue to fight to make sure that they do so.

The Illinois Municipal League is pressing hard to get SB2011 passed in this week's Veto Session, October 28, 29, and 30, 2009. We need your help to ensure this does not occur. Contact your State Representatives and Senators and urge them to reject SB2011.