

# *Legislative Action Program 2013*



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## *Legislative Priorities*

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**Legislative Priorities** are those specific, immediate issues that the Conference pursues either through initiating legislation or through strong advocacy in cooperation with partner organizations. Legislative Priorities are our primary legislative focus as we commence this first year of the 98<sup>th</sup> General Assembly.

### **CRITICAL PRIORITIES**

#### ***Protect the Authority of Municipalities to Manage Municipal Funds***

Frequently threatened with revenue diversions and fee increases from the state, municipalities require the freedom to raise and expend municipal funds in order to provide the services most needed by their residents and businesses. Recently, municipalities have worked to protect the local portion of income tax, prevent revenue losses from sales tax “holidays,” and avert sweeps that divert local funds.

- **Require the Timely Disbursement of LGDF Funds**  
The Comptroller should be required to transfer funds to the Local Government Distributive Fund (LGDF) and distribute those funds to municipalities as soon as they are received and certified. Furthermore, the state should refrain from diverting this, or any other municipal revenue, for its own programs.
- **Permit Municipalities to Collect Hotel-Motel Taxes for Permanent Residents**  
The Illinois Hotel Operators’ Occupation Tax Act specifically exempts permanent residents and limits municipal hotel and motel tax revenue for people staying 30 days or longer. The Act should be amended to remove the exemption or change the definition of “permanent resident.”
- **Reject Unfunded State Mandates**  
Legislation often requires communities to divert local expenditures from municipal services and use them to fund state-imposed programs. The state should not impose mandates that increase financial obligations on local governments without providing adequate funds to reimburse municipalities for these new mandates.
- **Limit the Prevailing Wage Act**  
Amend the Prevailing Wage Act to exempt projects below a minimum cost threshold of \$250,000 and annually adjust the threshold by the Consumer Price Index (CPI).

#### ***Remove the Sunset Date on the Wireless Emergency Telephone Safety Act***

At the advent of cell phone usage, an access fee of 75 cents per month was implemented to fund technological improvements which allow cell phones to contact 9-1-1. This statutory provision expires on July 1, 2013. The decline in landlines demands that the funding for 9-1-1 systems continue to be derived from the more proliferative usage of wireless phones.

### ***Reform Pensions***

The pension system must be made sustainable not only to ensure affordability for municipalities and taxpayers, but also to protect obligations to employees. If municipalities lack sufficient funds, then pension systems will collapse and retirees will lose their benefits entirely. In 2010, police and fire pensions became a two-tier system that ensured some relief for municipalities. That relief, however, will mostly occur in future decades, when today's newest employees begin to reach retirement age.

The following reforms must apply to current public safety employees for all future benefit accruals:

- Pause all cost of living adjustments (COLAs) for ten years, then establish COLA as the lesser of 3% or ½ of CPI, non-compounding;
- Increase employee contributions by 1% of salary per year for five years;
- Return the retirement age to 55 years, with a minimum of ten years of service;
- Return to an annual accrual formula whereby maximum benefit is attained at 35 years of service;
- Reform the calculation of pensionable salary and base the annuity on the average of the best eight years of the employee's final ten years of service.

The following additional reforms must apply to the administration of pensions:

- Amend the compliance and penalty provisions in Public Act 96-1495 which threaten to take LGDF and other state-collected funds if municipalities fail to contribute annually to public safety pension funds in an amount sufficient to reach a 90% funded level by the 2040 fixed amortization deadline;
- Enact a 30-year rolling amortization period for pension funding;
- Allow police and fire pension boards to invest funds in the IMRF;
- Allow police and fire pension boards to merge funds;
- Remove pension levies from the tax cap;
- Return to a public safety pension board structure with majority representation by the taxpayer;
- Amend the Sheriff's Law Enforcement Personnel (SLEP) program, which permits police chiefs to enroll in and transfer police time with previous municipal employers to SLEP, thus requiring the new employer to cover the cost of the unfunded liability;
- Oppose any new pension sweeteners.

### ***Amend the Public Safety Employee Benefits Act***

PSEBA was originally created to supply health insurance benefits to public safety employees who suffer catastrophic injuries in the line of duty. However, the system is frequently used to provide duplicative benefits at the expense of the taxpayers even when recipients are able to secure alternative, gainful employment with health benefits. The federal definition of "catastrophic injury" must be adopted to ensure that taxpayers are no longer needlessly overcharged.

## **PRIORITIES**

### ***Create Equality in Labor Relations***

Municipalities are at an inherent disadvantage when bargaining contracts. A level playing field is necessary to stop the unsustainable burden placed on taxpayers by the current system.

- **Amend the Illinois Labor Relations Act to Create a Level Playing Field for Labor Arbitration**

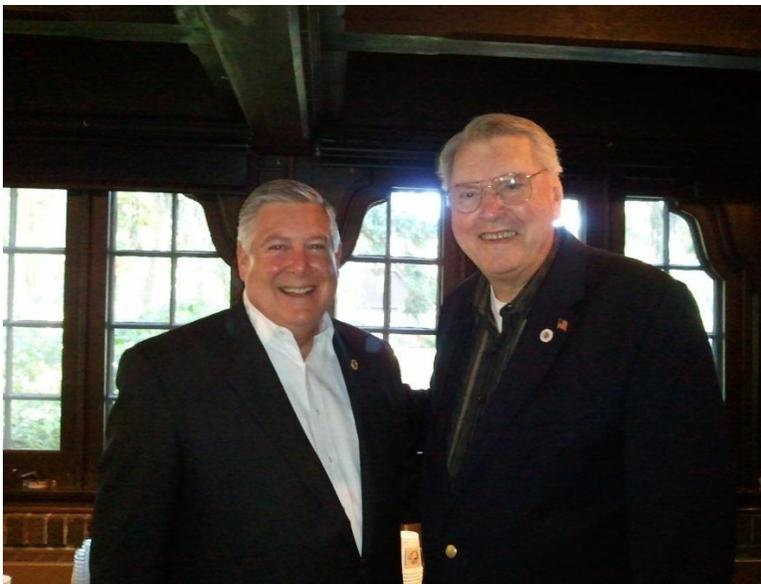
Arbitrators should be required to take into consideration both the interest and welfare of the public and the financial ability of the unit of government to meet costs with current revenue streams. Additionally, local fire unions should be required to pay for their share of arbitration costs, as police unions are currently required. The Act should also be amended to establish additional standards that prevent minor issues and unreasonable positions from being taken to arbitration.

- **Exempt Staffing Requirements from Collective Bargaining**

Due to statutory arbitration requirements and state-mandated pensions, the only variable municipalities can use to manage budgets is the number of staff. Legislation should be approved to explicitly exclude employee staffing levels from municipal collective bargaining.

- **Define “Confidential Employees” Under the Illinois Labor Relations Act**

Legislation is necessary to change the definition of “confidential employees” to include certain employees working directly for upper level management and having access to sensitive bargaining information in order to ensure that these employees are not considered “public employees” entitled to membership within a bargaining unit.



### ***Support Western Access***

As the Elgin-O’Hare Expressway expansion project is finalized, the state must consider the project’s impact on local residents and businesses. The state should ensure that funding for the project is fair, that any local contributions for these improvements are funded by the greater Chicago region, and that the new access route provides a true entrance into the airport.

*Senator Kirk Dillard and the late Lombard President William Mueller*

*(L-R) Warrenville Administrator John Coakley, Carol Stream Mayor Frank Saverino, Jr., Representative Mike Fortner, Naperville Manager Doug Krieger, Hinsdale Manager Dave Cook, and Clarendon Hills Manager Randy Recklaus*



### ***Limit Commercial Freedom of Information Act Requests***

Municipalities often receive FOIA requests that are not properly indicated as commercial, despite the fact that this is a violation of the Freedom of Information Act. These requests, which are often submitted by out-of-state private companies, pose a significant financial burden to municipalities. The Act should include more effective penalty provisions for violations by commercial interests.

### ***Protect the Public Rights-of-Way and Advance the Modernization of Public Utilities***

Public utilities use public rights-of-way to deliver necessary services and commodities to municipalities. Municipalities own these rights-of-way and have a duty to protect them. As such, municipalities and residents must be able to regulate utilities' usage of this land.

- **Require Utility Franchises**

Due to the monopoly status of some utilities, municipalities are at a disadvantage when negotiating expired franchises. Utilities should not be permitted to ignore expired franchises and should be required to negotiate with municipalities in good faith.

- **Require ComEd Accountability**

State statute provides ComEd with rate increases to invest in infrastructure and implement smart grid technology. ComEd should be required to provide a detailed capital plan in order to guarantee that revenue is being used appropriately to fund infrastructure improvements and customers are receiving the benefit of the technological advancements they are already funding.

- **Repeal Limitations on Municipal Audits of Utility Taxes**

Utilities collect taxes and fees to remit to municipalities. The statute must be amended to permit municipalities to effectively audit these utility tax remittances.

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## *Legislative Position Statements*

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*In addition to the Priorities listed above, every year the Conference responds to many legislative proposals, initiated by a variety of groups on a vast array of topics, that significantly impact municipalities and their residents. The following **Legislative Position Statements** outline Conference positions on several of these issues and guide our legislative efforts through the course of the year.*

### **Protect Municipal Revenues**

Municipalities should have the flexibility to fund the programs and services they consider necessary. Funds owed to municipalities should not be diverted and state mandates should be balanced against other municipal spending priorities to prevent overburdening local budgets and taxpayers.

- **Implement Streamlined Sales Tax**  
Implement federal streamlined sales tax rules that preserve intra-state sourcing rules and that require the state to treat the resulting funds as pass-through revenue, so municipalities receive the tax revenue from out-of-state online retailers.
- **Make Owners Responsible for Protecting Foreclosed Property**  
The burden to maintain foreclosed property should rest not on the municipality and taxpayers, but on the bank or other owner of record.
- **Amend Rules Regarding Publication of Reports and Notices**  
Mandated reporting, printing, and notice requirements should be amended to permit municipalities to satisfy compliance by posting reports and publications online and providing paper copies on request. In addition, double publication of two-county Truth in Taxation Notices, which wastes limited public resources, should be eliminated.
- **Permit Municipal Control Over IDOT Projects**  
Municipalities should be allowed to obtain partial or full waiver from IDOT review for certain projects, and to hire their own consultants to conduct state reviews to avoid delays. In addition, guidelines should be established to allow municipalities to administer their own Motor Fuel Tax funds without the delay of state approval.
- **Preferences for Illinois Contractors**  
Allow municipalities to select out-of-state contractors, rather than in-state contractors, if the bid differential is greater than 10%.
- **Remove the Referendum Requirement for Real Estate Transfer Tax**  
Allow municipalities to enact or increase a real estate transfer tax without referendum.
- **NPDES Permit Fees**  
The fees charged for National Pollutant Discharge Elimination System (NPDES) permits should be reduced to the level necessary to conduct related regulatory activity.

***Eliminate Barriers to Local Management of Labor and Personnel***

Support must be given to local authority to manage labor and personnel and to implement the most efficient and effective means of delivering services. Legislative barriers that make it difficult to consolidate and coordinate services—including public works, code enforcement, police, and fire—should be eliminated. The resulting efficiency would permit municipalities to provide a higher level of services, save money, and reduce the burden on taxpayers.



*Representative Stephanie Kifowit and Roselle Mayor Gayle Smolinski*

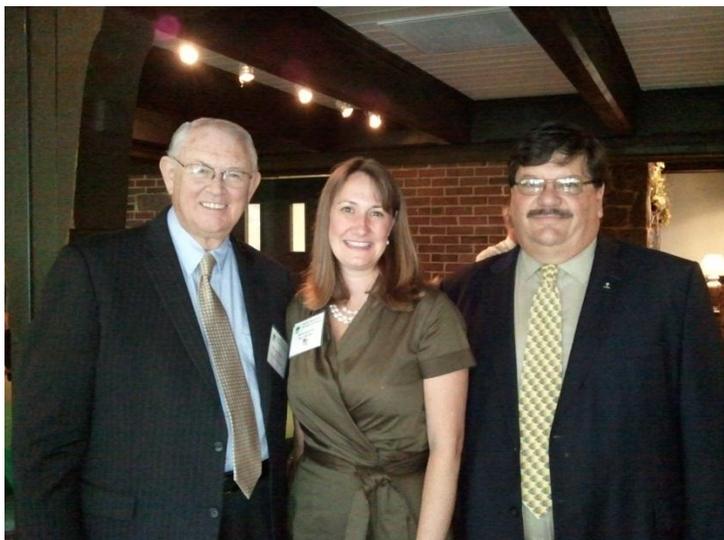
- **Permit Municipalities to Recoup an Administrative Fee for Providing Health Coverage**  
The Police Officer's Continuance Privilege and Municipal Employee's Continuance Privilege should permit municipalities to charge a 2% fee to offset administrative costs, as COBRA currently allows.
- **Provide Municipal Control of the Foreign Fire Insurance Tax Revenue**  
Elected municipal officials, not fire department members, should receive, budget, and spend revenues from the Foreign Fire Insurance Tax.
- **Prohibit Municipal Employees from Serving on the Governing Board**  
No municipal employee should be eligible to serve on the governing board for that municipality.
- **Regulate Charitable Solicitations on Behalf of Police or Fire Unions**  
Develop effective enforcement against fraud and misrepresentation by solicitors.
- **Amend Public Safety Pension Board Training Legislation**  
Amend Public Acts 96-0429 and 94-0354 to permit pension board trustees and police chiefs and deputy chiefs to satisfy training requirements using online courses and webinars, and to allow certification of local community colleges to provide the training. Additionally, provide exemptions for professionals with relevant credentials and remove the requirement for annual reviews, making training a one-time event.

### ***Preserve and Respect Local Authority***

The freedom to make decisions at the local level is the best way that municipalities can fully serve their unique constituencies. Policies should not undermine or preempt local authority and responsibility to protect the health, safety, and welfare of local residents.

- **Permit Access to Sales Tax Information**  
Grant all municipalities access on a quarterly basis to the Illinois Department of Revenue sales tax information by individual retailer for enforcement and budgeting purposes.
- **Preserve Local Risk Management Pools**  
Support the preservation of local authority to enter into and manage cooperative risk pools.
- **Amend the Open Meetings Act**  
Clarify all rules under the Act regarding the use of developing technology during meetings.
- **Protect Sign Regulation and Limit Billboard Removal Compensation**  
Legislation is necessary to allow municipalities to use amortization as a form of “just compensation” when zoning changes cause a billboard to be a nonconforming use.
- **Expand Allowable Annexation Boundaries**  
Expand municipalities’ rights with respect to involuntary annexations by adding railroad and utility rights-of-way as allowable boundaries.
- **Limit Land Disconnection**  
Prohibit the disconnection of land from a municipality without approval from the city council or village board.
- **Permit Special Service Areas for Stormwater Facilities**  
Reform Public Act 97-0533 to prohibit the refusal of special service areas so municipalities can ensure maintenance of drainage facilities that are the responsibility of homeowner associations.
- **Allow Municipalities to Determine the Form of Security Posted by Developers**  
Municipalities, rather than developers, should be able to decide whether developers will need a bond or a letter of credit for public improvements.

*(L-R) Woodridge Mayor William Murphy, Representative Emily McAsey, and Hanover Park President Rod Craig*



### ***Remove Barriers to Non-Home Rule Authority***

The distinction between home rule and non-home rule communities should be removed to recognize the ability of all municipalities to govern themselves, regardless of population.

- **Amend the Hotel-Motel Tax**  
Allow non-home rule municipalities greater flexibility in how they may spend Hotel-Motel Tax revenues.
- **Amend the Sales Tax**  
Allow non-home rule municipalities greater flexibility to expend sales tax revenue on areas other than infrastructure.
- **Allow Crime Free Housing Regulations**  
Municipalities with home rule authority are permitted to license landlords and require periodic inspection of dwellings. Legislation should allow non-home rule communities to use this program as well.
- **Allow Greater Flexibility with Other Taxes and Restrictions**  
Allow non-home rule municipalities to employ policies such as state and local funding alternatives, regulation of pawn shops, and economic development incentives. Also, permit non-home rule municipalities to assess and expend—for any government purpose—tax revenue from car rentals, gasoline, and natural gas utilities.



*(L-R) Representative Mike Fortner, Senator Linda Holmes, Senator Tom Johnson, Warrenville Mayor David Brummel, Willowbrook Mayor Robert Napoli, and Itasca President Jeff Pruyn*

*The DuPage Mayors and Managers Conference is an association of municipalities representing over 1,000,000 people.*



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