GENERAL PROVISIONS
(5 ILCS 220/) Intergovernmental Cooperation Act.

(5 ILCS 220/1) (from Ch. 127, par. 741)
Sec. 1. Short title. This Act may be cited as the Intergovernmental Cooperation Act.
(Source: P.A. 78-785.)

(5 ILCS 220/2) (from Ch. 127, par. 742)
Sec. 2. Definitions. For the purpose of this Act:
(1) The term "public agency" shall mean any unit of local government as defined in the Illinois Constitution of 1970, any school district, any public community college district, any public building commission, the State of Illinois, any agency of the State government or of the United States, or of any other State, any political subdivision of another State, and any combination of the above pursuant to an intergovernmental agreement which includes provisions for a governing body of the agency created by the agreement.
For the purposes of this Act, "public agency" includes the Mid-America Intermodal Authority Port District created under the Mid-America Intermodal Authority Port District Act.
(2) The term "state" shall mean a state of the United States.
(Source: P.A. 90-636, eff. 7-24-98.)

(5 ILCS 220/3) (from Ch. 127, par. 743)
Sec. 3. Intergovernmental cooperation. Any power or powers, privileges, functions, or authority exercised or which may be exercised by a public agency of this State may be exercised, combined, transferred, and enjoyed jointly with any other public agency of this State and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States do not prohibit joint exercise or enjoyment and except where specifically and expressly prohibited by law. This includes, but is not limited to, (i) arrangements between the Illinois Student Assistance Commission and agencies in other states which issue professional licenses and (ii) agreements between the Department of Healthcare and Family Services (formerly Illinois Department of Public Aid) and public agencies for the establishment and enforcement of child support orders and for the exchange of information that may be necessary for the enforcement of those child support orders.
(Source: P.A. 95-331, eff. 8-21-07.)

(5 ILCS 220/3.1) (from Ch. 127, par. 743.1)

Sec. 3.1. Municipal Joint Action Water Agency.

(a) Any municipality or municipalities of this State, any county or counties of this State, any township in a county with a population under 700,000 of this State, any public water district or districts of this State, State university, or any combination thereof may, by intergovernmental agreement, establish a Municipal Joint Action Water Agency to provide adequate supplies of water on an economical and efficient basis for member municipalities, public water districts and other incorporated and unincorporated areas within such counties. Any such Agency shall itself be a municipal corporation, public body politic and corporate. A Municipal Joint Action Water Agency so created shall not itself have taxing power except as hereinafter provided.

A Municipal Joint Action Water Agency shall be established by an intergovernmental agreement among the various member municipalities, public water districts, townships, State universities, and counties, upon approval by an ordinance adopted by the corporate authorities of each member municipality, public water district, township, State university, or county. This agreement may be amended at any time upon the adoption of concurring ordinances by the corporate authorities of all member municipalities, public water districts, townships, State universities, and counties. The agreement may provide for additional municipalities, public water districts, any State universities, townships in counties with a population under 700,000, or counties to join the Agency upon adoption of an ordinance by the corporate authorities of the joining municipality, public water district, township, or county, and upon such consents, conditions and approvals of the governing body of the Municipal Joint Action Water Agency and of existing member municipalities, public water districts, townships, State universities, and counties as shall be provided in the agreement. The agreement shall provide the manner and terms on which any municipality, public water district, township, or county may withdraw from membership in the Municipal Joint Action Water Agency and on which the Agency may terminate and dissolve in whole or in part. The agreement shall set forth the corporate name of the Municipal Joint Action Water Agency and its duration. Promptly upon any agreement establishing a Municipal Joint Action Water Agency being entered into, or upon the amending of any such agreement, a copy of such agreement or amendment shall be filed in the office of the Secretary of State of Illinois. Promptly upon the addition or withdrawal of any municipality, public water district, township in a county with a population under 700,000, or county, or upon the dissolution of a Municipal Joint Action Water Agency, that fact shall be certified by an officer of the Agency to the Secretary of State of Illinois.

(b) The governing body of any Municipal Joint Action Water Agency established pursuant to this Section 3.1 shall be a Board of Directors. There shall be one Director from each member municipality, public water district, township, State university, and county of the Municipal Joint Action Water Agency appointed by ordinance of the corporate authorities of the municipality, public water district, township, or county. Each Director shall have one vote. Each Director shall be the Mayor or President of the member municipality, or the chairman

of the board of trustees of the member public water district, the supervisor of the member township, the appointee of the State university, or the chairman of the county board or chief executive officer of the member county or a county board member appointed by the chairman of the county board of the member county, appointing the Director; an elected member of the corporate authorities of that municipality, public water district, township, or county; or other elected official of the appointing municipality, public water district, township, or county. Any agreement establishing a Municipal Joint Action Water Agency shall specify the period during which a Director shall hold office and may provide for the appointment of Alternate Directors from member municipalities, public water districts, townships, or counties. The Board of Directors shall elect one Director to serve as Chairman, and shall elect persons, who need not be Directors, to such other offices as shall be designated in the agreement.

The Board of Directors shall determine the general policy of the Municipal Joint Action Water Agency, shall approve the annual budget, shall make all appropriations (which may include appropriations made at any time in addition to those made in any annual appropriation document), shall approve all contracts for the purchase or sale of water, shall adopt any resolutions providing for the issuance of bonds or notes by the Agency, shall adopt its by-laws, rules and regulations, and shall have such other powers and duties as may be prescribed in the agreement. Such agreement may further specify those powers and actions of the Municipal Joint Action Water Agency which shall be authorized only upon votes of greater than a majority of all Directors or only upon consents of the corporate authorities of a certain number of member municipalities, public water districts, townships, State universities, or counties.

The agreement may provide for the establishment of an Executive Committee to consist of the municipal manager or other elected or appointed official of each member municipality, public water district, township, State university, or county, as designated by ordinance or other official action, from time to time by the corporate authorities of the member municipality, public water district, township, State university, or county, and may prescribe powers and duties of the Executive Committee for the efficient administration of the Agency.

(c) A Municipal Joint Action Water Agency established pursuant to this Section 3.1 may plan, construct, improve, extend, acquire, finance (including the issuance of revenue bonds or notes as provided in this Section 3.1), operate, maintain, and contract for a joint waterworks or water supply system which may include, or may consist of, without limitation, facilities for receiving, storing, and transmitting water from any source for supplying water to member municipalities, public water districts, townships, or counties (including county special service areas created under the Special Service Area Tax Act and county service areas authorized under the Counties Code), or other public agencies, persons, or corporations. Facilities of the Municipal Joint Action Water Agency may be located within or without the corporate limits of any member municipality.

A Municipal Joint Action Water Agency shall have such powers as shall be provided in the agreement establishing it,

which may include, but need not be limited to, the following powers:

(i) to sue or be sued;

(ii) to apply for and accept gifts or grants or loans of funds or property or financial or other aid from any public agency or private entity;

(iii) to acquire, hold, sell, lease as lessor or lessee, transfer or dispose of such real or personal property, or interests therein, as it deems appropriate in the exercise of its powers, and to provide for the use thereof by any member municipality, public water district, township, or county;

(iv) to make and execute all contracts and other instruments necessary or convenient to the exercise of its powers (including contracts with member municipalities, with public water districts, with townships, and with counties on behalf of county service areas); and

(v) to employ agents and employees and to delegate by resolution to one or more of its Directors or officers such powers as it may deem proper.

Member municipalities, public water districts, townships, State universities, or counties may, for the purposes of, and upon request by, the Municipal Joint Action Water Agency, exercise the power of eminent domain available to them, convey property so acquired to the Agency for the cost of acquisition, and be reimbursed for all expenses related to this exercise of eminent domain power on behalf of the Agency.

All property, income and receipts of or transactions by a Municipal Joint Action Water Agency shall be exempt from all taxation, the same as if it were the property, income or receipts of or transaction by the member municipalities, public water districts, townships, State universities, or counties.

(d) A Municipal Joint Action Water Agency established pursuant to this Section 3.1 shall have the power to buy water and to enter into contracts with any person, corporation or public agency (including any member municipality, public water district, township, or county) for that purpose. Any such contract made by an Agency for a supply of water may contain provisions whereby the Agency is obligated to pay for the supply of water without setoff or counterclaim and irrespective of whether the supply of water is ever furnished, made available or delivered to the Agency or whether any project for the supply of water contemplated by any such contract is completed, operable or operating and notwithstanding any suspension, interruption, interference, reduction or curtailment of the supply of water from such project. Any such contract may provide that if one or more of the other purchasers defaults in the payment of its obligations under such contract or a similar contract made with the supplier of the water one or more of the remaining purchasers party to such contract or such similar contract shall be required to pay for all or a portion of the obligations of the defaulting purchasers. No such contract may have a term in excess of 50 years.

A Municipal Joint Action Water Agency shall have the power to sell water and to enter into contracts with any person, corporation or public agency (including any member municipality, any public water district, any township, any State university, or any county on behalf of a county service

area as set forth in this Section) for that purpose. No such contract may have a term in excess of 50 years. Any such contract entered into to sell water to a public agency may provide that the payments to be made thereunder by such public agency shall be made solely from revenues to be derived by such public agency from the operation of its waterworks system or its combined waterworks and sewerage system. Any public agency so contracting to purchase water shall establish from time to time such fees and charges for its water service or combined water and sewer service as will produce revenues sufficient at all times to pay its obligations to the Agency under the purchase contract. Any such contract so providing shall not constitute indebtedness of such public agency so contracting to buy water within the meaning of any statutory or constitutional limitation. Any such contract of a public agency to buy water shall be a continuing, valid and binding obligation of such public agency payable from such revenues.

A Municipal Joint Action Water Agency shall establish fees and charges for the purchase of water from it or for the use of its facilities. No prior appropriation shall be required by either the Municipal Joint Action Water Agency or any public agency before entering into any contract authorized by this paragraph (d).

The changes in this Section made by this amendatory Act of 1984 are intended to be declarative of existing law.

(e) 1. A Municipal Joint Action Water Agency established pursuant to this Section 3.1 may, from time to time, borrow money and, in evidence of its obligation to repay the borrowing, issue its negotiable water revenue bonds or notes pursuant to this paragraph (e) for any of the following purposes: for paying costs of constructing, acquiring, improving or extending a joint waterworks or water supply system; for paying other expenses incident to or incurred in connection with such construction, acquisition, improvement or extension; for repaying advances made to or by the Agency for such purposes; for paying interest on the bonds or notes until the estimated date of completion of any such construction, acquisition, improvement or extension and for such period after the estimated completion date as the Board of Directors of the Agency shall determine; for paying financial, legal, administrative and other expenses of the authorization, issuance, sale or delivery of bonds or notes; for paying costs of insuring payment of the bonds or notes; for providing or increasing a debt service reserve fund with respect to any or all of the Agency's bonds or notes; and for paying, refunding or redeeming any of the Agency's bonds or notes before, after or at their maturity, including paying redemption premiums or interest accruing or to accrue on such bonds or notes being paid or redeemed or for paying any other costs in connection with any such payment or redemption.

2. Any bonds or notes issued pursuant to this paragraph (e) by a Municipal Joint Action Water Agency shall be authorized by a resolution of the Board of Directors of the Agency adopted by the affirmative vote of Directors from a majority of the member municipalities, public water districts, townships, State universities, and counties, and any additional requirements as may be set forth in the agreement establishing the Agency. The authorizing resolution may be effective immediately upon its adoption. The authorizing resolution shall describe in a general way any project

contemplated to be financed by the bonds or notes, shall set forth the estimated cost of the project and shall determine its period of usefulness. The authorizing resolution shall determine the maturity or maturities of the bonds or notes, the rate or rates at which the bonds or notes are to bear interest and all the other terms and details of the bonds or notes. All such bonds or notes shall mature within the period of estimated usefulness of the project with respect to which such bonds or notes are issued, as determined by the Board of Directors, but in any event not more than 50 years from their date of issue. The bonds and notes may bear interest, payable at such times, at a rate or rates not exceeding the maximum rate established in the Bond Authorization Act, as from time to time in effect. Bonds or notes of a Municipal Joint Action Water Agency shall be sold in such manner as the Board of Directors of the Agency shall determine, either at par or at a premium or discount, but such that the effective interest cost (excluding any redemption premium) to the Agency of the bonds or notes shall not exceed a rate equal to the rate of interest specified in the Act referred to in the preceding sentence.

The resolution authorizing the issuance of any bonds or notes pursuant to this paragraph (e) shall constitute a contract with the holders of the bonds and notes. The resolution may contain such covenants and restrictions with respect to the purchase or sale of water by the Agency and the contracts for such purchases or sales, the operation of the joint waterworks system or water supply system, the issuance of additional bonds or notes by the Agency, the security for the bonds and notes, and any other matters, as may be deemed necessary or advisable by the Board of Directors to assure the payment of the bonds or notes of the Agency.

3. The resolution authorizing the issuance of bonds or notes by a Municipal Joint Action Water Agency shall pledge and provide for the application of revenues derived from the operation of the Agency's joint waterworks or water supply system (including from contracts for the sale of water by the Agency) and investment earnings thereon to the payment of the cost of operation and maintenance of the system (including costs of purchasing water), to provision of adequate depreciation, reserve or replacement funds with respect to the system or the bonds or notes, and to the payment of principal, premium, if any, and interest on the bonds or notes of the Agency (including amounts for the purchase of such bonds or notes). The resolution shall provide that revenues of the Municipal Joint Action Water Agency so derived from the operation of the system, sufficient (together with other receipts of the Agency which may be applied to such purposes) to provide for such purposes, shall be set aside as collected in a separate fund or funds and used for such purposes. The resolution may provide that revenues not required for such purposes may be used for any proper purpose of the Agency or may be returned to member municipalities.

Any notes of a Municipal Joint Action Water Agency issued in anticipation of the issuance of bonds by it may, in addition, be secured by a pledge of proceeds of bonds to be issued by the Agency, as specified in the resolution authorizing the issuance of such notes.

4. (i) Except as provided in clauses (ii) and (iii) of this subparagraph 4 of this paragraph (e), all bonds and notes of the Municipal Joint Action Water Agency issued pursuant to

this paragraph (e) shall be revenue bonds or notes. Such revenue bonds or notes shall have no claim for payment other than from revenues of the Agency derived from the operation of its joint waterworks or water supply system (including from contracts for the sale of water by the Agency) and investment earnings thereon, from bond or note proceeds and investment earnings thereon, or from such other receipts of the Agency as the agreement establishing the Agency may authorize to be pledged to the payment of revenue bonds or notes, all as and to the extent as provided in the resolution of the Board of Directors authorizing the issuance of the revenue bonds or notes. Revenue bonds or notes issued by a Municipal Joint Action Water Agency pursuant to this paragraph (e) shall not constitute an indebtedness of the Agency or of any member municipality, public water district, township, or county within the meaning of any constitutional or statutory limitation. It shall be plainly stated on each revenue bond and note that it does not constitute an indebtedness of the Municipal Joint Action Water Agency or of any member municipality, public water district, township, or county within the meaning of any constitutional or statutory limitation.

(ii) If the Agreement so provides and subject to the referendum provided for in clause (iii) of this subparagraph 4 of this paragraph (e), the Municipal Joint Action Water Agency may borrow money for corporate purposes on the credit of the Municipal Joint Action Water Agency, and issue general obligation bonds therefor, in such amounts and form and on such conditions as it shall prescribe, but shall not become indebted in any manner or for any purpose in an amount including existing indebtedness in the aggregate which exceeds 5.75% of the aggregate value of the taxable property within the boundaries of the participating municipalities, public water districts, townships, and county service areas within a member county determined by the governing body of the county by resolution to be served by the Municipal Joint Action Water Agency (including any territory added to the Agency after the issuance of such general obligation bonds), collectively defined as the "Service Area", as equalized and assessed by the Department of Revenue and as most recently available at the time of the issue of said bonds. Before or at the time of incurring any such general obligation indebtedness, the Municipal Joint Action Water Agency shall provide for the collection of a direct annual tax, which shall be unlimited as to rate or amount, sufficient to pay the interest on such debt as it falls due and also to pay and discharge the principal thereof at maturity, which shall be within 40 years after the date of issue thereof. Such tax shall be levied upon and collected from all of the taxable property within the territorial boundaries of such Service Area at the time of the referendum provided for in clause (iii) and shall be levied upon and collected from all taxable property within the boundaries of any territory subsequently added to the Service Area. Dissolution of the Municipal Joint Action Water Agency for any reason shall not relieve the taxable property within such Service Area from liability for such tax. Liability for such tax for property transferred to or released from such Service Area shall be determined in the same manner as for general obligation bonds of such county, if in an unincorporated area, and of such municipality, if within the

boundaries thereof. The clerk or other officer of the Municipal Joint Action Water Agency shall file a certified copy of the resolution or ordinance by which such bonds are authorized to be issued and such tax is levied with the County Clerk or Clerks of the county or counties containing the Service Area, and such filing shall constitute, without the doing of any other act, full and complete authority for such County Clerk or Clerks to extend such tax for collection upon all the taxable property within the Service Area subject to such tax in each and every year, as required, in amounts sufficient to pay the principal of and interest on such bonds, as aforesaid, without limit as to rate or amount. Such tax shall be in addition to and in excess of all other taxes authorized to be levied by the Municipal Joint Action Water Agency or by such county, municipality, township, or public water district. The issuance of such general obligation bonds shall be subject to the other provisions of this paragraph (e), except for the provisions of clause (i) of this subparagraph 4.

(iii) No issue of general obligation bonds of the Municipal Joint Action Water Agency (except bonds to refund an existing bonded indebtedness) shall be authorized unless the Municipal Joint Action Water Agency certifies the proposition of issuing such bonds to the proper election authorities, who shall submit the proposition to the voters in the Service Area at an election in accordance with the general election law, and the proposition has been approved by a majority of those voting on the proposition.

The proposition shall be substantially in the following form:

Shall general obligation bonds for the purpose of (state purpose), in the sum not to exceed $....(insert amount), be issued by the ..... (insert corporate name of the Municipal Joint Action Water Agency)?	Yes --- No

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5. As long as any bonds or notes of a Municipal Joint Action Water Agency created pursuant to this Section 3.1 are outstanding and unpaid, the Agency shall not terminate or dissolve and, except as permitted by the resolution or resolutions authorizing outstanding bonds or notes, no member municipality, public water district, township, or county may withdraw from the Agency. While any such bonds or notes are outstanding, all contracts for the sale of water by the Agency to member municipalities, public water districts, townships, or counties shall be irrevocable except as permitted by the resolution or resolutions authorizing such bonds or notes. The Agency shall establish fees and charges for its operations sufficient to provide adequate revenues to meet all of the requirements under its various resolutions authorizing bonds or notes.

6. A holder of any bond or note issued pursuant to this paragraph (e) may, in any civil action, mandamus or other proceeding, enforce and compel performance of all duties required to be performed by the Agency or such counties, as provided in the authorizing resolution, or by any of the

public agencies contracting with the Agency to purchase water, including the imposition of fees and charges, the collection of sufficient revenues and the proper application of revenues as provided in this paragraph (e) and the levying, extension and collection of such taxes.

7. In addition, the resolution authorizing any bonds or notes issued pursuant to this paragraph (e) may provide for a pledge, assignment, lien or security interest, for the benefit of the holders of any or all bonds or notes of the Agency, (i) on any or all revenues derived from the operation of the joint waterworks or water supply system (including from contracts for the sale of water) and investment earnings thereon or (ii) on funds or accounts securing the payment of the bonds or notes as provided in the authorizing resolution. In addition, such a pledge, assignment, lien or security interest may be made with respect to any receipts of the Agency which the agreement establishing the Agency authorizes it to apply to payment of bonds or notes. Any such pledge, assignment, lien or security interest for the benefit of holders of bonds or notes shall be valid and binding from the time the bonds or notes are issued, without any physical delivery or further act, and shall be valid and binding as against or prior to any claims of any other party having any claims of any kind against the Agency irrespective of whether such other parties have notice of such pledge, assignment, lien or security interest.

A resolution of a Municipal Joint Water Agency authorizing the issuance of bonds or notes pursuant to this paragraph (e) may provide for the appointment of a corporate trustee with respect to any or all of such bonds or notes (which trustee may be any trust company or state or national bank having the power of a trust company within Illinois). In that event, the resolution shall prescribe the rights, duties and powers of the trustee to be exercised for the benefit of the Agency and the protection of the holders of such bonds or notes. The resolution may provide for the trustee to hold in trust, invest and use amounts in funds and accounts created as provided in the resolution. The resolution authorizing the bonds or notes may provide for the assignment and direct payment to the trustee of amounts owed by public agencies to the Municipal Joint Action Water Agency under water sales contracts for application by the trustee to the purposes for which such revenues are to be used as provided in this paragraph (e) and as provided in the authorizing resolution. Upon receipt of notice of such assignment, the public agency shall thereafter make the assigned payments directly to such trustee.

Nothing in this Section authorizes a Joint Action Water Agency to provide water service directly to residents within a municipality or in territory within one mile or less of the corporate limits of a municipality that operates a public water supply unless the municipality has consented in writing to such service being provided.

(Source: P.A. 94-1007, eff. 1-1-07.)

(5 ILCS 220/3.2) (from Ch. 127, par. 743.2)

Sec. 3.2. (a) Any two or more municipalities, counties or combination thereof may, by intergovernmental agreement, establish a Municipal Joint Action Agency to provide for efficient and environmentally sound collection,

transportation, processing, storage and disposal of municipal waste. Any such Agency shall itself be a municipal corporation, public body politic and corporate. A Municipal Joint Action Agency formed for such purpose shall be established by an intergovernmental agreement among the various members upon approval by an ordinance adopted by the corporate authorities of each member. Such agreement may be amended at any time as may be provided in the intergovernmental agreement. The agreement may provide for additional members to join the Agency upon adoption of an ordinance by the corporate authorities of the joining member and upon such consents, conditions and approvals of the governing body of the Municipal Joint Action Agency and of existing members as shall be provided in the agreement. The intergovernmental agreement shall provide the manner and terms on which any member may withdraw from membership in the Municipal Joint Action Agency and on which the Agency may terminate and dissolve in whole or in part. The agreement shall set forth the corporate name of the Municipal Joint Action Agency and its duration. Promptly upon any agreement establishing a Municipal Joint Action Agency being entered into, or upon the amending of any such agreement, a copy of such agreement or amendment shall be filed in the office of the Secretary of State of Illinois. Promptly upon the addition or withdrawal of any member, or upon the dissolution of a Municipal Joint Action Agency, that fact shall be certified by an officer of the Agency to the Secretary of State of Illinois.

(b) The governing body of any Municipal Joint Action Agency established pursuant to this Section 3.2 shall be a Board of Directors. The number, terms of office and qualifications of the Board of Directors shall be provided for in the intergovernmental agreement. Directors shall be selected by vote of the members which are eligible to vote under the terms of the intergovernmental agreement. The method of voting by members for directors shall be provided for in the intergovernmental agreement which may authorize the corporate authorities of a member to designate an individual to cast its vote or votes at any such election. The Board of Directors shall determine the general policy of the Agency, shall approve the annual budget, shall make all appropriations, shall adopt all resolutions providing for the issuance of bonds or notes by the Agency, shall adopt its bylaws, rules and regulations, and shall have such other powers and duties as may be prescribed in the agreement.

The Board of Directors shall act by a vote of a majority of its members or by such greater majority as may be provided in the intergovernmental agreement. If the intergovernmental agreement so provides, the Board of Directors may create one or more committees, define their duties and designate the members of the committees, who need not be members of the Board. The Municipal Joint Action Agency shall have such officers who shall be elected in such manner and for such terms as shall be prescribed by the intergovernmental agreement or as may be determined by the Board of Directors. The officers shall have such duties as may be provided in the intergovernmental agreement or as may be determined by the Board of Directors.

(c) A Municipal Joint Action Agency may plan, construct, reconstruct, acquire, own, lease (as lessor or lessee), equip,

extend, improve, manage, operate, maintain, repair, close and finance waste projects. In determining the size of the waste project, adequate provision shall be given to the present and reasonably anticipated future needs of the recycling and resource recovery interest within the area.

A Municipal Joint Action Agency shall have such powers as shall be provided in the agreement establishing it, which may include, but need not be limited to, the following powers:

(i) To sue or be sued;

(ii) To apply for and accept gifts, grants or loans of funds or property or financial or other aid from any public agency or private entity;

(iii) To acquire, hold, sell, lease as lessor or lessee, lend, transfer or dispose of such real or personal property including intangible property, or interests therein, as it deems appropriate in the exercise of its powers, to provide for the use thereof by any member upon such terms and conditions and with such fees or charges as it shall determine, and to mortgage, pledge or otherwise grant security interests in any such property;

(iv) To make and execute all contracts and other instruments necessary or convenient to the exercise of its power;

(v) To adopt, amend and repeal ordinances, resolutions, rules and regulations with respect to its powers and functions and not inconsistent with this Section 3.2;

(vi) To provide for the insurance, including self insurance, of any property or operations of the Municipal Joint Action Agency or its members, directors, officers and employees, against any risk or hazard, and to indemnify its members, directors, officers and employees therefrom;

(vii) To appoint, retain and employ officers, agents, independent contractors and employees to carry out its powers and functions hereunder;

(viii) To make and execute any contract with the federal, state, or a unit of local government or any person relating to a waste project, including contracts which require:

(1) the contracting party pay the Agency a fixed amount for the collection, processing and disposal of a stated amount of municipal waste (whether or not the stated amount of waste is collected or disposed of), or pay all or a portion of the capital and operating expenses of a waste project;

(2) the contracting party make exclusive use of a waste project for collecting, processing or disposing of all or any portion of municipal waste over which the party has control;

(3) the abandonment, restriction, or prohibition on completion or construction of competing waste projects by the contracting party;

(4) specific provisions with respect to the collection, processing, transportation, storage and disposal of municipal waste;

(5) payment of fees and charges with respect to a waste project;

(ix) To enter into contracts which provide for compensation to areas affected by an Agency waste project;

(x) To enter into contracts with the host community controlling location, use, operation, maintenance and closing of the waste project;

(xi) To create reserves for the purpose of planning, constructing, reconstructing, acquiring, owning, managing, insuring, leasing, equipping, extending, improving, operating, maintaining, repairing, and closing waste projects;

(xii) To create, develop and implement plans for closing and re-use of sites on which waste projects are located, which plans may provide for various uses, including but not limited to, residential, recreational, commercial, office and industrial uses;

(xiii) To prepare, submit and administer plans, and to participate in intergovernmental agreements, pursuant to the Local Solid Waste Disposal Act.

(d) 1. A Municipal Joint Action Agency may, from time to time, borrow money, and, in evidence of its obligation to repay the borrowing, issue its negotiable revenue bonds or notes for any of its corporate purposes, including, but not limited to, the following: for paying costs of planning, constructing, reconstructing, acquiring, owning, leasing, equipping, improving, closing or extending a waste project and implementing a re-use of the waste project; for paying other expenses incident to or incurred in connection with such project; for repaying advances made to or by the Agency for such purposes; for paying interest on the bonds or notes until the estimated date of completion of any such project and for such period after the estimated completion date as the Board of Directors of the Agency shall determine; for paying financial, legal, administrative and other expenses of the authorization, issuance, sale or delivery of bonds or notes; for paying costs of insuring payment of or other credit enhancement of the bonds or notes; for providing or increasing a debt service reserve fund with respect to any or all of the Agency's bonds or notes; for creation of reserves for the planning, constructing, reconstructing, acquiring, leasing, managing, equipping, extending, insuring, improving or closing of waste projects; and for paying, refunding or redeeming any of the Agency's bonds or notes before, after or at their maturity, including paying redemption premiums or interest accruing or to accrue on such bonds or notes being paid or redeemed or for paying any other costs in connection with any such payment or redemption.

2. Any bonds or notes issued pursuant to this paragraph (d) by a Municipal Joint Action Agency shall be authorized by a resolution of the Board of Directors of the Agency adopted by the affirmative vote of a majority of the Directors and in compliance with any additional requirements as may be set forth in the agreement establishing the Agency. The authorizing resolution may be effective immediately upon its adoption. The authorizing resolution shall describe in a general way any waste project contemplated to be financed by the bonds or notes, shall set forth the estimated cost of the waste project and shall determine its period of usefulness. The authorizing resolution shall determine the maturity or maturities of the bonds or notes, the denominations, the rate or rates at which the bonds or notes are to bear interest and all the other terms and details of the bonds or notes. The bonds or notes may be issued as serial bonds payable in installments or as term bonds with or without sinking fund installments or a combination thereof. All such bonds or notes shall mature within the period of estimated usefulness of the project with respect to which such bonds or notes are issued,

as determined by the Board of Directors, but in any event not more than 50 years from their date of issue. The bonds and notes may bear interest at such rate or rates as the resolution shall provide, notwithstanding any other provision of law, and shall be payable at such times as determined by the authorizing resolution. Bonds or notes of a Municipal Joint Action Agency shall be sold in such manner as the Board of Directors of the Agency shall determine, either at par or at a premium or discount.

3. In connection with the issuance of its bonds or notes, the Municipal Joint Action Agency may enter into arrangements to provide additional security and liquidity for its obligations. These may include, without limitation, municipal bond insurance, letters of credit, lines of credit by which the Municipal Joint Action Agency may borrow funds to pay or redeem its obligations and purchase or remarketing arrangements for assuring the ability of owners of the obligations to sell or to have redeemed the obligations. The Municipal Joint Action Agency may enter into contracts and may agree to pay fees to persons providing such arrangements, including from bond or note proceeds.

The resolution of the Municipal Joint Action Agency authorizing the issuance of its bonds or notes may provide that interest rates may vary from time to time depending upon criteria set forth in the resolution, which may include, without limitation, a variation of interest rates as may be necessary to cause bonds or notes to be remarketable from time to time at a price equal to their principal amount, and may provide for appointment of a national banking association, bank, trust company, investment banker or other financial institution to serve as a remarketing agent in that connection. Notwithstanding any other provision of law, the resolution of the Municipal Joint Action Agency authorizing the issuance of its bonds or notes may provide that alternative interest rates or provisions will apply during such times as the bonds or notes are held by a person providing a letter of credit or other credit enhancement arrangement for those bonds or notes.

4. The resolution authorizing the issuance of any bonds or notes pursuant to this paragraph (d) shall constitute a contract with the holders of the bonds and notes. The resolution may contain such covenants and restrictions with respect to the waste project and the contracts with respect to such waste project, the issuance of additional bonds or notes by the Agency, the security for the bonds and notes, and any other matters as may be deemed necessary or advisable by the Board of Directors to assure the payment of the bonds or notes of the Agency.

5. The resolution authorizing the issuance of bonds or notes by a Municipal Joint Action Agency established pursuant to this Section 3.2 shall pledge and provide for the application of revenues derived from the operation of the Agency's waste projects, revenues received from its members (including from contracts for the use of the Agency's waste projects) and revenues from its investment earnings to the payment of the operating expenses of the waste projects, to provision of adequate depreciation, reserve or replacement funds with respect to the waste project, planned waste projects, or the bonds or notes, and to the payment of principal, premium, if any, and interest on the bonds or notes

of the Agency (including amounts for the purchase of such bonds or notes). The resolution may provide that revenues of the Municipal Joint Action Agency so derived and other receipts of the Agency which may be applied to such purposes shall be set aside as collected in a separate fund or funds and used for such purposes. The resolution may provide that revenues not required for such purposes may be used for any proper purpose of the Agency or may be returned to members.

Any notes of a Municipal Joint Action Agency may, in addition, be secured by a pledge of proceeds of bonds to be issued by the Agency, as specified in the resolution authorizing the issuance of such notes.

6. All bonds and notes of the Municipal Joint Action Agency issued pursuant to this paragraph (d) shall be revenue bonds or notes. Such bonds or notes shall have no claim for payment other than from revenues of the Agency derived from the operation of its waste projects, from revenues received from its members (including from contracts for the use of the Agency's waste projects), from bond or note proceeds, from such other receipts of the Agency as the agreement establishing the Agency may authorize to be pledged to the payment of bonds or notes, and from investment earnings on the foregoing, all as and to the extent as provided in the resolution of the Board of Directors authorizing the issuance of the bonds or notes. Bonds or notes issued by a Municipal Joint Action Agency pursuant to this paragraph (d) shall not constitute an indebtedness of the Agency or of any member within the meaning of any constitutional or statutory limitation. It shall be plainly stated on each bond and note that it does not constitute an indebtedness of the Municipal Joint Action Agency or of any member within the meaning of any constitutional or statutory limitation.

7. As long as any bonds or notes of a Municipal Joint Action Agency created pursuant to this Section 3.2 are outstanding and unpaid, the Agency shall not terminate or dissolve and, except as permitted by the resolution or resolutions authorizing outstanding bonds or notes, no member may withdraw from the Agency. The Agency shall establish fees and charges for its operations sufficient to provide adequate revenues to meet all of the requirements under its various resolutions authorizing bonds or notes.

8. A holder of any bond or note issued pursuant to this paragraph (d) may, in any civil action, mandamus or other proceeding, enforce and compel performance of all duties required to be performed by the Agency, as provided in the authorizing resolution, or by any of the members or other persons contracting with the Agency to use the Agency's waste projects, including the imposition of fees and charges, the collection of sufficient revenues and the proper application of revenues as provided in this paragraph (d).

9. In addition, the resolution authorizing any bonds or notes issued pursuant to this paragraph (d) may provide for a pledge, assignment, lien or security interest, for the benefit of the holders of any or all bonds or notes of the Agency, (i) on any and all revenues derived from the operation of the Agency's waste projects (including from contracts for the use of the Agency's waste projects) and investment earnings thereon, (ii) on any and all revenues received from its members, or (iii) on funds or accounts securing the payment of the bonds or notes as provided in the authorizing resolution.

In addition, such a pledge, assignment, lien or security interest may be made with respect to any receipts of the Agency which the agreement establishing the Agency authorizes it to apply to payment of bonds or notes. Any such pledge, assignment, lien or security interest for the benefit of holders of bonds or notes shall be valid and binding from the time the bonds or notes are issued, without any physical delivery or further act, and shall be valid and binding against or prior to any claims of any other party having any claims of any kind against the Agency irrespective of whether such other parties have notice of such pledge, assignment, lien or security interest.

A resolution of a Municipal Joint Action Agency authorizing the issuance of bonds or notes pursuant to this paragraph (d) may provide for the appointment of a corporate trustee with respect to any or all of such bonds or notes (which trustee may be any trust company or state or national bank having the power of a trust company within Illinois). In that event, the resolution shall prescribe the rights, duties and powers of the trustee to be exercised for the benefit of the Agency and the protection of the holders of such bonds or notes. The resolution may provide for the trustee to hold in trust, invest and use amounts in funds and accounts created as provided in the resolution. The resolution authorizing the bonds or notes may provide for the assignment and direct payment to the trustee of amounts owed by members and other persons to the Municipal Joint Action Agency under contracts for the use of or access to the Agency's waste projects for application by the trustee to the purposes for which such revenues are to be used as provided in this paragraph (d) and as provided in the authorizing resolution. Upon receipt of notice of such assignment, the member or other person shall thereafter make the assigned payments directly to such trustee.

(e) A Municipal Joint Action Agency established pursuant to this Section 3.2 and any of its members shall each have the power to enter into contracts with any person, corporation or public agency, including any other member and the Municipal Joint Action Agency, with respect to a waste project. Any such contract may permit the contracting party to make use of the waste project and pay such fees and charges as may be established. Any member so contracting to use a waste project shall establish such fees and charges for the collection, transportation, processing, storage and disposal of municipal waste as are necessary to produce revenues sufficient to pay its obligations to the Agency under the contract to use the waste project; provided, however, that the member may satisfy its obligation to make payments under the contract from any funds of the member otherwise available for such purpose. Any contract between the Agency and its members with respect to a waste project shall not constitute an indebtedness of such members within any statutory or constitutional limitation. Any such contract shall be a continuing, valid and binding obligation of such member payable from the fees and charges it imposes for collection, transportation, processing, storage and disposal of municipal waste. Any such contract between the Agency and its members may contain provisions whereby the contracting parties are obligated to pay for all or a portion of the waste project without setoff or counterclaim and irrespective of whether the waste project is ever completed,

made available or provided to the contracting party and notwithstanding any suspension, interruption, interference, reduction or curtailment of such waste project. Any such contract may provide that if one or more of the other parties to the contract defaults in the payments of its obligations under such contract or a similar contract made with respect to the waste project, one or more of the remaining parties to such contract or similar contract shall be required to pay for all or a portion of the obligation of the defaulting purchasers. No contract entered into under this subparagraph (e) shall have a term in excess of 50 years. No prior appropriation shall be required by either the Municipal Joint Action Agency or any member before entering into any contract under this subparagraph (e).

(f) A Municipal Joint Action Agency established pursuant to this Section 3.2 and its members shall have the power to enter into contracts for a term not exceeding 50 years relating to the collection, transportation, processing, storage and disposal of municipal waste. Parties to the contract shall have the power to agree to provide by ordinance, license, franchise, contract or other means that the method of collection, transportation, processing, storage and disposal of municipal waste shall be the exclusive methods to be allowed within their respective jurisdiction, notwithstanding the fact that competition may be displaced or that such ordinance, license, franchise, contract or other means may have an anticompetitive effect. Such contract may require the parties by ordinance, license, contract or other means to require that all or any portion of the municipal waste generated within the jurisdiction of the contracting party be delivered to a waste project designated by the parties. Such ordinance, license, franchise, contract or other means may be utilized by the contracting party to insure a constant flow of municipal waste to the facility notwithstanding the fact that competition may be displaced or that such measures have an anticompetitive effect.

(g) Members may, for the purposes of, and upon request by the Municipal Joint Action Agency, exercise the power of eminent domain available to them and convey the property so acquired to the Agency for the cost of acquisition and all expenses related thereto.

(h) A member may enter into an agreement with the Municipal Joint Action Agency obligating the member to make payments to the Municipal Joint Action Agency in order to finance the costs of planning, acquisition and construction of a waste project. A Municipal Joint Action Agency established pursuant to this Section 3.2 may agree to reimburse its members from proceeds of any borrowing for costs of the member with respect to planning, acquisition and construction of an Agency waste project.

(i) Property, income and receipts of or transactions by a Municipal Joint Action Agency created pursuant to this Section 3.2 shall be exempt from all taxation, the same as if it were the property, income of or transaction by a municipality or county member.

(j) The following terms whenever used or referred to in this Section 3.2 shall have the following meanings, except where the context clearly indicates otherwise:

(1) "Municipal waste" means garbage, general household, institutional and commercial waste, industrial lunchroom or

office waste, landscape waste, and construction or demolition debris.

(2) "Waste project" means land, any rights therein and improvements thereto, one or more buildings, structures or other improvements, machinery, equipment, vehicles and other facilities incidental to the foregoing, used in the collection, transportation, transfer, storage, disposal, processing, treatment, recovery and re-use of municipal waste. A waste project shall include land held for a planned waste project or used to buffer a waste project from adjacent land uses.

(3) "Bonds or notes" includes other evidences of indebtedness.

(Source: P.A. 87-650.)

(5 ILCS 220/3.2a) (from Ch. 127, par. 743.2a)

Sec. 3.2a. Whenever this Act, as amended from time to time, grants a municipal joint action agency the power to organize and exercise powers in connection with the efficient and environmentally sound collection, transportation, processing, storage and disposal of municipal waste ("waste disposal"), a municipality in the State of Illinois acting as a lead agency ("municipal lead agency") in cooperation with other units of local government to accomplish waste disposal may, by passage of an ordinance to that effect by the municipal lead agency and by the other cooperating units of local government, cause the municipal lead agency to possess all the powers of a municipal joint action agency as if the municipal lead agency were established as a municipal joint action agency under this Act, and also cause the other cooperating units of local government to possess the same powers to enter into contracts and perform those acts as they would with a municipal joint action agency. The corporate authorities of the municipal lead agency shall exercise the powers as are given the Board of Directors of the municipal joint action agency. Copies of the ordinances of the municipal lead agency and the other cooperating units of local government to operate under this Section shall be filed with the Secretary of State.

(Source: P.A. 86-771.)

(5 ILCS 220/3.3) (from Ch. 127, par. 743.3)

Sec. 3.3. (1) Any municipality or municipalities of this State, any county or counties of this State or any combination thereof upon adoption of an ordinance by the governing body may, by intergovernmental agreement, join with any community college district of this State in forming Local Economic Development Commissions, hereinafter to be referred to as Commissions. The purpose of such Commissions shall be to coordinate community economic and commercial development programs, to obtain and administer State and federal financial aid, and to perform various other functions to benefit the economic strength of the community.

(2) The membership of a Commission formed by a municipality or municipalities and a county or counties shall be as follows:

(a) 2 public members appointed by the mayor or president of each municipality with the advice and consent of the municipal governing body; and

(b) 2 public members appointed by the chairman of the county board or chief executive officer of each county with the advice and consent of the county governing body; and

(c) 2 public members appointed by the chief executive officer of the community college district with the advice and consent of the community college district board.

The mayor or president of each municipality, the chairman of the county board or chief executive officer of each county, and the chief executive officer of the community college district shall serve as ex officio members of the Commission.

(3) The membership of a Commission formed by a municipality or municipalities shall be as follows:

(a) 3 public members appointed by the mayor or president of each municipality with the advice and consent of the municipal governing body; and

(b) 3 public members appointed by the chief executive officer of the community college district with the advice and consent of the community college district board.

The mayor or president of each municipality and the chief executive officer of the community college district shall serve as ex officio members of the Commission.

(4) The membership of a Commission formed by a county or counties shall be as follows:

(a) 3 public members appointed by the chairman of the county board or chief executive officer of each county with the advice and consent of the county governing body; and

(b) 3 public members appointed by the chief executive officer of the community college district with the advice and consent of the community college district board.

The chairman of the county board or chief executive officer of each county and the chief executive officer of the community college district shall serve as ex officio members of the Commission.

(5) Of the public members appointed to a Commission, the respective appointing authorities shall ensure that the business community and organized labor are equally represented.

(6) The members appointed to a Commission shall serve for terms of 2 years; however, of the initial appointees 2 shall serve terms of one year, 2 shall serve terms of 2 years and 2 shall serve terms of 3 years as determined by drawing lots. The members of each Commission shall, by majority vote of the membership, elect from among the public members a chairman. The chairman shall schedule meetings at least 6 times per year and notify members at least 10 days prior to the meetings of the date, time, and place of such meetings. The chairman shall preside over all such meetings. Other operational guidelines shall be decided upon by majority vote of the membership. Commission members shall not be entitled to receive compensation for their services as members but may receive reimbursement for actual and necessary expenses incurred in connection with the performance of their duties as commission members.

(7) A Commission may apply for and accept funding from any or all of the participating units of government, any other unit of local, State or federal government and any private entity.

(Source: P.A. 83-1362.)

(5 ILCS 220/3.4) (from Ch. 127, par. 743.4)

Sec. 3.4. (a) Any 2 or more municipalities or counties, or any combination thereof, may, by intergovernmental agreement, establish a Municipal Joint Sewage Treatment Agency to provide for the treatment, carrying off and disposal of swamp, stagnant or overflow water, sewage, industrial wastes and other drainage of member municipalities and counties. Any such Agency shall itself be a municipal corporation and a public body politic and corporate.

(b) The governing body of any Municipal Joint Sewage Treatment Agency shall be a Board of Directors. The composition and manner of appointment of the Board of Directors shall be determined pursuant to the intergovernmental agreement. The Board of Directors shall determine the general policy of the Agency, shall approve the annual budget, shall make all appropriations, shall approve all contracts, shall adopt all resolutions providing for the issuance of bonds or notes by the Agency, shall adopt its bylaws, rules and regulations, and shall have such other powers and duties as may be prescribed in the intergovernmental agreement.

(c) A Municipal Joint Sewage Treatment Agency may plan, construct, reconstruct, acquire, own, lease as lessor or lessee, equip, extend, improve, operate, maintain, repair and finance drainage and sewage treatment projects, and may enter into agreements or contracts for the provision of drainage or sewage treatment services for member municipalities or counties.

(d) A Municipal Joint Sewage Treatment Agency shall have such powers as shall be provided in the agreement establishing it, which may include, but need not be limited to, the following powers:

(1) to sue or be sued;

(2) to apply for and accept gifts, grants or loans of funds or property, or financial or other aid, from any public agency or private entity;

(3) to acquire, hold, sell, lease as lessor or lessee, transfer or dispose of such real or personal property, or interests therein, as it deems appropriate in the exercise of its powers, and to provide for the use thereof by any member municipality or county;

(4) to make and execute all contracts and other instruments necessary or convenient to the exercise of its power; and

(5) to make and execute any contract with the federal government, a state, or a unit of local government, relating to drainage and the treatment of sewage.

(e) A Municipal Joint Sewage Treatment Agency may, from time to time, borrow money, and, in evidence of its obligation to repay the borrowing, issue its negotiable revenue bonds or notes for any of the following purposes: for paying costs of planning, constructing, reconstructing, acquiring, leasing, equipping, improving or extending a drainage and sewage treatment project; for paying other expenses incident to or incurred in connection with such project; for repaying advances made to or by the Agency for such purposes; for paying interest on the bonds or notes until the estimated date of completion of any such project and for such period after the estimated completion date as the Board of Directors of the

Agency shall determine; for paying financial, legal, administrative and other expenses of the authorization, issuance, sale or delivery of bonds or notes; for providing or increasing a debt service reserve fund with respect to any or all of the Agency's bonds or notes; and for paying, refunding or redeeming any of the Agency's bonds or notes before, after or at their maturity, including paying redemption premiums or interest accruing or to accrue on such bonds or notes being paid or redeemed or for paying any other costs in connection with any such payment or redemption.

The resolution authorizing the issuance of the bonds or notes shall pledge and provide for the application of revenues derived from the operation of the project to payment of the cost of operation and maintenance of the project, to provision for adequate depreciation, reserve or replacement funds with respect to the project, the bonds or notes, and to the payment of principal, premium, if any, and interest on the bonds or notes of the Agency. All bonds or notes of the Agency shall be revenue bonds or notes and shall have no claim for payment other than from revenues of the Agency derived from operation of the drainage and sewage treatment project. Bonds or notes issued by the Agency shall not constitute an indebtedness of any member municipality or county.
(Source: P.A. 83-1423.)

(5 ILCS 220/3.5) (from Ch. 127, par. 743.5)

Sec. 3.5. Any expenditure of funds by a public agency organized pursuant to an intergovernmental agreement in accordance with the provisions of this Act and consisting of 5 public agencies or less, except for an intergovernmental risk management association, self-insurance pool or self-administered health and accident cooperative or pool, shall be in accordance with the Illinois Purchasing Act if the State is a party to the agreement, and shall be in accordance with any law or ordinance applicable to the public agency with the largest population which is a party to the agreement if the State is not a party to the agreement. If the State is not a party to the agreement and there is no such applicable law or ordinance, all purchases shall be subject to the provisions of the Governmental Joint Purchasing Act. Such self-insurance or insurance pools may enter into reinsurance agreements for the protection of their members.
(Source: P.A. 99-642, eff. 7-28-16.)

(5 ILCS 220/3.6) (from Ch. 127, par. 743.6)

Sec. 3.6. (a) Any special district the boundaries of which are exactly coterminous with, or entirely within, the boundaries of a township may merge into and transfer all of its rights, powers, duties, liabilities and functions to the township as provided in this Section notwithstanding any other provision of the law.

(b) "Special district" means any political subdivision other than a county, municipality, township, school district or community college district.

(c) By resolution or ordinance the special district may petition the township for merger. Within 30 days after the adoption of such resolution or ordinance, the special district shall file a copy of the petition with the town clerk of the township and with the county clerk.

(d) Within 60 days of the filing of the petition with the town clerk the board of town trustees shall by ordinance either agree or refuse to agree to the merger. Failure of the board of town trustees to adopt such an ordinance within the 60 days shall constitute a refusal to agree to the merger.

(e) After an ordinance is passed by the board of town trustees agreeing to a merger, it shall be published once within 30 days after its passage in one or more newspapers published in the township or, if no newspaper is published therein, it shall be published in a newspaper published in the county in which such township is located and having general circulation within such township. If no newspaper is published in the county having general circulation in the township, publication may be made instead by posting copies of such ordinance in 10 public places within the township. The publication or posting of the ordinance shall include a notice of (1) the specific number of voters required to sign a petition requesting that the question of the merger be submitted to the voters of the township; (2) the time within which the petition must be filed; and (3) the date of the prospective referendum. The township clerk shall provide a petition form to any individual requesting one. The ordinance shall not become effective until 30 days after its publication or the date of such posting of such copies.

Whenever a petition signed by the electors of the township equal in number to 10% or more of the registered voters in the township is filed with the board of town trustees thereof which has adopted an ordinance agreeing to merger and such petition has been filed with the board of town trustees within 30 days after the publication or the date of the posting of the copies which petition seeks the submission of such merger to an election, the board of town trustees shall certify the question to the proper election officials who shall submit the question at an election in accordance with the general election law.

The proposition shall be substantially in the following form:

Shall (name of special district) be merged into ..... Township?	YES NO

If the boundaries of the township and special district are coterminous and a majority of the voters voting on the question shall favor merger, the special district shall merge into the township. If a majority of the voters voting on the question shall not favor merger, the special district shall not merge into the township. If the boundaries of the township and special district are not coterminous, then a majority of the voters voting upon the question in the special district and a majority of the voters voting in that portion of the township that is not included within the special district must both favor the merger. If a majority of the voters residing in the special district or a majority of the voters voting in that portion of the townships that is not included within the special district do not favor the merger, the special district shall not merge into the township.

(f) The effective date of the merger shall be the first day of January of the year immediately following the effective date of the ordinance or the approval by the referendum as the

case may be.

(g) If the board of town trustees refuses to agree to the merger or if a majority of the voters voting on the question shall not favor merger, then the special district shall not file a petition for merger with the town clerk within 3 years after such refusal to agree or referendum.

(h) Upon the effective date of the merger the township shall assume and succeed to all of the rights, powers, duties, liabilities and functions of the special district, including assuming any indebtedness of the special district, and the special district shall be dissolved and cease to exist as a separate and distinct political subdivision. In connection with such rights, powers, duties, liabilities and functions the township shall be subject to, governed by and have the benefit of the statutes, as then or thereafter amended, and laws affecting such a special district, including without limitation the right to levy taxes in such amounts as allowed to such a special district, but the right to levy taxes shall exist only within the area formerly comprising such merged special district. Upon the effective date of the merger all books, records, equipment, property and personnel held by, in the custody of or employed by the special district shall be transferred to the township. The transfer shall not affect the status or employment benefits of transferred personnel.
(Source: P.A. 94-144, eff. 1-1-06.)

(5 ILCS 220/3.7) (from Ch. 127, par. 743.7)

Sec. 3.7. (a) Any 2 or more contiguous counties of this State, upon adoption of ordinances by the governing bodies, may, by intergovernmental agreement, form a Regional Juvenile Detention Authority to coordinate the construction of a Regional Juvenile Detention Facility.

(b) The governing body of an Authority created under this Section shall consist of the County Board Chairman, the County Sheriff and the State's Attorney of each member county. Each member shall serve as long as he continues to hold his county office. The County Board Chairman of the most populous member county shall preside at the first organizational meeting of the Authority. At the first organizational meeting, the Authority shall elect a chairman from among its members to serve a 2 year term. No chairman shall remain chairman after losing his county office. The Authority shall adopt bylaws and elect officers and may establish a staff.

(c) An Authority may apply for and accept funding from participating units of government, any other unit of local, State or federal government or any private entity.
(Source: P.A. 86-669.)

(5 ILCS 220/3.8)

Sec. 3.8. Floodwater management. In counties having 3,000,000 or more inhabitants, a municipality may enter into intergovernmental agreements with a township for floodwater management in the unincorporated areas of the county.
(Source: P.A. 91-424, eff. 1-1-00.)

(5 ILCS 220/3.9)

Sec. 3.9. Flood prevention. Two or more county flood prevention districts may enter into an intergovernmental agreement to provide any services authorized in the Flood Prevention District Act, to construct, reconstruct, repair, or

otherwise provide any facilities described in that Act either within or outside of any district's corporate limits, to issue bonds, notes, or other evidences of indebtedness, to pledge the taxes authorized to be imposed pursuant to Section 25 of that Act to the obligations of any other district, and to exercise any other power authorized in that Act.
(Source: P.A. 95-719, eff. 5-21-08; 95-723, eff. 6-23-08.)

(5 ILCS 220/4) (from Ch. 127, par. 744)
Sec. 4. Appropriations, furnishing of property, personnel and services. Any public agency entering into an agreement pursuant to this Act may appropriate funds and may sell, lease, give, authorize the receipt of grants, or otherwise supply the administrative joint board or other legal or administrative entity created to operate the joint or cooperative undertaking by providing such personnel or services therefor as may be within its legal power to furnish.
(Source: P.A. 78-785.)

(5 ILCS 220/4.5)
Sec. 4.5. Prohibited agreements and contracts. No intergovernmental or interagency agreement or contract may be entered into, implemented, or given effect if the agreement's or contract's intent or effect is (i) to circumvent any limitation established by law on State appropriation or State expenditure authority with respect to health care and employee benefits contracts or (ii) to expend State moneys in a manner inconsistent with the purpose for which they were appropriated with respect to health care and employee benefits contracts.
(Source: P.A. 93-839, eff. 7-30-04.)

(5 ILCS 220/5) (from Ch. 127, par. 745)
Sec. 5. Intergovernmental contracts. Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking or to combine, transfer, or exercise any powers, functions, privileges, or authority which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be approved by the governing bodies of each party to the contract and except where specifically and expressly prohibited by law. Such contract shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties.
(Source: P.A. 91-298, eff. 7-29-99.)

(5 ILCS 220/5.1) (from Ch. 127, par. 745.1)
Sec. 5.1. All personnel rules applicable to an employee of a public agency shall continue to apply to such employee if the employee is assigned to perform services for another public agency pursuant to an intergovernmental agreement.
(Source: P.A. 84-1248.)

(5 ILCS 220/6) (from Ch. 127, par. 746)
Sec. 6. Joint self-insurance. An intergovernmental contract may, among other undertakings, authorize public agencies to jointly self-insure and authorize each public agency member of the contract to utilize its funds to pay to a joint insurance pool its costs and reserves to protect, wholly or partially, itself or any public agency member of the

contract against liability or loss in the designated insurable area.

A joint insurance pool shall have an annual audit performed by an independent certified public accountant and shall file an annual audited financial report with the Director of Insurance no later than 150 days after the end of the pool's immediately preceding fiscal year. The Director of Insurance shall issue rules necessary to implement this audit and report requirement. The rule shall establish the due date for filing the initial annual audited financial report. Within 30 days after January 1, 1991, and within 30 days after each January 1 thereafter, public agencies that are jointly self-insured to protect against liability under the Workers' Compensation Act and the Workers' Occupational Diseases Act shall file with the Illinois Workers' Compensation Commission a report indicating an election to self-insure.

The joint insurance pool shall also annually file with the Director a statement of actuarial opinion that conforms to the Actuarial Standards of Practice issued by the Actuarial Standards Board. All statements of actuarial opinion shall be issued by an independent actuary who is an associate or fellow of the Casualty Actuarial Society or of the Society of Actuaries. The statement of actuarial opinion shall include a statement that the pool's reserves are calculated in accordance with sound loss-reserving standards and adequate for the payment of claims. This opinion shall be filed no later than 150 days after the end of each fiscal year. The joint insurance pool shall be exempt from filing a statement of actuarial opinion by an independent actuary who is an associate or fellow of the Casualty Actuarial Society or of the Society of Actuaries that the joint insurance pool's reserves are in accordance with sound loss-reserving standards and payment of claims for the primary level of coverage if the joint insurance pool files with the Director, by the reporting deadline, a statement of actuarial opinion from the provider of the joint pool's aggregate coverage, reinsurance, or other similar excess insurance coverage. Any statement of actuarial opinion must be prepared by an actuary who satisfies the qualification standards set forth by the American Academy of Actuaries to issue the opinion in the particular area of actuarial practice.

The Director may assess penalties against a joint insurance pool that fails to comply with the auditing, statement of actuarial opinion, and examination requirements of this Section in an amount equal to $500 per day for each violation, up to a maximum of $10,000 for each violation. The Director (or his or her staff) or a Director-selected independent auditor (or actuarial firm) that is not owned or affiliated with an insurance brokerage firm, insurance company, or other insurance industry affiliated entity may examine, as often as the Director deems advisable, the affairs, transactions, accounts, records, and assets and liabilities of each joint insurance pool that fails to comply with this Section. The joint insurance pool shall cooperate fully with the Director's representatives in all evaluations and audits of the joint insurance pool and resolve issues raised in those evaluations and audits. The failure to resolve those issues may constitute a violation of this Section, and may, after notice and an opportunity to be heard, result in the imposition of penalties pursuant to this Section. No

sanctions under this Section may become effective until 30 days after the date that a notice of sanctions is delivered by registered or certified mail to the joint insurance pool. The Director shall have the authority to extend the time for filing any statement by any joint insurance pool for reasons that he or she considers good and sufficient.

If a joint insurance pool requires a member to submit written notice in order for the member to withdraw from a qualified pool, then the period in which the member must provide the written notice cannot be greater than 120 days, except that this requirement applies only to joint insurance pool agreements entered into, modified, or renewed on or after the effective date of this amendatory Act of the 98th General Assembly.

For purposes of this Section, "public agency member" means any public agency defined or created under this Act, any local public entity as defined in Section 1-206 of the Local Governmental and Governmental Employees Tort Immunity Act, and any public agency, authority, instrumentality, council, board, service region, district, unit, bureau, or, commission, or any municipal corporation, college, or university, whether corporate or otherwise, and any other local governmental body or similar entity that is presently existing or created after the effective date of this amendatory Act of the 92nd General Assembly, whether or not specified in this Section. Only public agency members with tax receipts, tax revenues, taxing authority, or other resources sufficient to pay costs and to service debt related to intergovernmental activities described in this Section, or public agency members created by or as part of a public agency with these powers, may enter into contracts or otherwise associate among themselves as permitted in this Section.

No joint insurance pool or other intergovernmental cooperative offering health insurance shall interfere with the statutory obligation of any public agency member to bargain over or to reach agreement with a labor organization over a mandatory subject of collective bargaining as those terms are used in the Illinois Public Labor Relations Act. No intergovernmental contract of insurance offering health insurance shall limit the rights or obligations of public agency members to engage in collective bargaining, and it shall be unlawful for a joint insurance pool or other intergovernmental cooperative offering health insurance to discriminate against public agency members or otherwise retaliate against such members for limiting their participation in a joint insurance pool as a result of a collective bargaining agreement.

It shall not be considered a violation of this Section for an intergovernmental contract of insurance relating to health insurance coverage, life insurance coverage, or both to permit the pool or cooperative, if a member withdraws employees or officers into a union-sponsored program, to re-price the costs of benefits provided to the continuing employees or officers based upon the same underwriting criteria used by that pool or cooperative in the normal course of its business, but no member shall be expelled from a pool or cooperative if the continuing employees or officers meet the general criteria required of other members.

(Source: P.A. 98-504, eff. 1-1-14; 98-969, eff. 1-1-15.)

(5 ILCS 220/7) (from Ch. 127, par. 747)

Sec. 7. This Act is not a prohibition on the contractual and associational powers granted by Section 10 of Article VII of the Constitution.

(Source: P.A. 78-785.)

(5 ILCS 220/7.5)

Sec. 7.5. Eminent domain. Notwithstanding any other provision of this Act, any power granted under this Act to acquire property by condemnation or eminent domain is subject to, and shall be exercised in accordance with, the Eminent Domain Act.

(Source: P.A. 94-1055, eff. 1-1-07.)

(5 ILCS 220/8) (from Ch. 127, par. 748)

Sec. 8. Separability. If any section, subsection, sentence or clause of this Act shall be adjudged unconstitutional, such adjudication shall not affect the validity of the Act as a whole or of any part not adjudged unconstitutional.

(Source: P.A. 78-785.)

(5 ILCS 220/9) (from Ch. 127, par. 749)

Sec. 9. County participation. Any county may participate in an intergovernmental agreement under this Act notwithstanding the absence of specific authority under State law to perform the action involved provided that the unit of local government contracting with the county has authority to perform the action. The authority of the county shall be limited to the territorial limits of the local governmental unit with which the county contracts. In the case of an intergovernmental agreement between a county and a municipality, however, the agreement may provide that the county may perform an action within the territorial limits of the municipality, within the contiguous territory not more than one and one-half miles beyond the corporate limits and not included in any municipality, or within both.

(Source: P.A. 91-298, eff. 7-29-99.)

(5 ILCS 220/15)

Sec. 15. Authorized investments. In addition to other investments authorized by law, an intergovernmental risk management entity created under this Act with assets of at least $5,000,000 and adopting an investment policy under Section 16 of this Act may invest in any combination of the following:

(1) the common stocks listed on a recognized exchange or market;

(2) stock and convertible debt investments, or investment grade corporate bonds, in or issued by any corporation the book value of which shall not exceed 5% of the total intergovernmental risk management entity's investment account at book value in which those securities are held, determined as of the date of the investment, provided that investments in the stock of any one corporation shall not exceed 5% of the total outstanding stock of the corporation and that the investments in the convertible debt of any one corporation shall not exceed 5% of the total amount of such debt that may be outstanding;

(3) the straight preferred stocks or convertible preferred stocks and convertible debt securities issued or guaranteed by a corporation whose common stock is listed on a recognized exchange or market;

(4) mutual funds or commingled funds that meet the following requirements:

(i) the mutual fund or commingled fund is managed by an investment company as defined and registered under the federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953 or an investment adviser as defined under the federal Investment Advisers Act of 1940;

(ii) the mutual fund has been in operation for at least 5 years; and

(iii) the mutual fund has total net assets of $250,000,000 or more;

(5) commercial grade real estate located in the State of Illinois.

Any investment advisor retained by the board of the intergovernmental risk management entity must be a fiduciary, who has the power to manage, acquire, or dispose of any asset of the intergovernmental risk management entity, has acknowledged in writing that he or she is a fiduciary with respect to the intergovernmental risk management entity and that he or she has read and understands the intergovernmental risk management entity's investment policy and will adhere to all of the principles and standards set forth in that policy, and is one or more of the following:

(i) registered as an investment adviser under the federal Investment Adviser Act of 1940;

(ii) registered as an investment adviser under the Illinois Securities Law of 1953;

(iii) a bank, as defined in the federal Investment Adviser Act of 1940;

(iv) an insurance company authorized to transact business in this State.

Nothing in this Section shall be construed to authorize an intergovernmental risk management entity to accept the deposit of public funds except for risk management purposes.
(Source: P.A. 89-592, eff. 8-1-96; 90-319, eff. 8-1-97.)

(5 ILCS 220/16)

Sec. 16. Investment policy.

(a) Investments made by an intergovernmental risk management entity may be governed by a written investment policy adopted by the corporate authorities of the entity.

An intergovernmental risk management entity may have an investment policy for any public funds in excess of the amount needed to meet current expenses as provided in subsection (b). The policy shall address safety of principal, liquidity of funds, and return on investment.

(b) The investment policy shall apply to funds under the control of the intergovernmental risk management entity in excess of those required to meet short-term expenses.

(c) The intergovernmental risk management entity shall develop performance measures appropriate for the nature and size of the funds within its custody.

(d) The intergovernmental risk management entity shall adopt the prudent person rule, which provides that: "investments should be made with the judgment and care, under

circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

(e) The investment policy shall list authorized investments as provided by law.

(f) The investment policy shall require that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due.

(g) The investment policy shall establish guidelines for investments. The guidelines shall be appropriate with the nature and size of the public funds within the custody of the intergovernmental risk management entity.

(h) The investment policy shall provide for guidelines for appropriate diversification of the investment portfolio. Diversification strategies within the established guidelines shall be reviewed and revised periodically, as deemed necessary by the intergovernmental risk management entity.

(i) The investment policy shall provide guidelines for the selection of investment advisors, money managers, and banks.

(j) The investment policy shall provide appropriate arrangements for the holding of assets of the intergovernmental risk management entity. No withdrawal of securities, in whole or in part, shall be made, except by an authorized staff member of the intergovernmental risk management entity.

(k) The investment policy shall provide for a system of internal controls and operational procedures. The intergovernmental risk management entity's chief executive officer shall, by January 1, 1997, establish a system of internal controls that shall be in writing and made a part of the intergovernmental risk management entity's operational procedures. The investment policy shall provide for review of the controls by independent auditors as part of any financial audit periodically required of the intergovernmental risk management entity. The internal controls shall be designed to prevent losses of funds that might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the intergovernmental risk management entity.

(l) The investment policy shall provide for appropriate quarterly or more frequent reporting of investment activities. To that end, the intergovernmental risk management entities' chief financial officer shall prepare periodic reports for submission to the governing body and chief executive officer of the intergovernmental risk management entity, which shall include securities in the portfolio by class or type, book value, income earned, and market value as of the report date.
(Source: P.A. 89-592, eff. 8-1-96.)