

# 2014

## STATE AND FEDERAL LEGISLATIVE PROGRAM



LEGISLATIVE  
INITIATIVES

### *State and Federal Initiatives and Programs*



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# FY 2014 State and Federal Legislative Program

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INITIATIVES

# FY 2014 State and Federal Legislative Program

## Lake County Illinois

As the political and economic climate continues to change, Lake County government continues to strive towards fiscally stable, efficient and transparent operations. Lake County is committed to maintaining strong partnerships with state and federal legislators. Through these partnerships and the County's policies, the residents of Lake County continue to receive valuable services in an efficient and cost effective manner.

In 2014, as in previous years, the Lake County Board appreciates the opportunity to meet with our state and federal legislators to discuss challenges facing our County. In these challenging times it is essential that Lake County is able to govern without the restrictions of various statutes and public acts slowing down the process to ensure a high quality of life for Lake County residents.

We are well aware of the state and federal governments' on-going financial situations and have tried to be responsive and responsible as we prepared our 2014 legislative program.

As in the past, the County legislative policy is to:

1. Support legislation granting additional permissive authorities for counties.
2. Support legislation allowing counties to expand non property tax revenue sources.
3. Oppose unfunded mandates imposed by the state or federal government.
4. Oppose legislation that would reduce the existing authority of county government.
5. Oppose proposals that erode the existing County revenue base.

Specifically, as it relates to legislative policy number five, Lake County aggressively opposes any action that will divert, redirect, or reduce any funds owed and/or due to units of local government (i.e. sales tax, income tax and Personal Property Replacement Tax), in order to fund obligations of the State or any State agency. Lake County has made difficult, yet necessary steps to balance its budget. Diversion of funds from local governments will force further service reductions to Lake County constituents and will further erode the resources necessary to aid in our economic recovery.

Sponsorship of specific initiatives and support of other proposals listed in the 2014 Lake County Legislative Program will be greatly appreciated.

# FY 2014 State and Federal Legislative Program

## Categories

1. **Sponsor**: Lake County sponsored initiatives.
2. **Support**: Seek to support partner organizations in their sponsorship of the initiative.
  - These proposals are broad based with impacts that extend beyond Lake County. It is most appropriate for a coalition or state wide organization to lead these initiatives. Lake County will support these proposals and the efforts of a coalition or statewide organization.

# FY 2014 State and Federal Legislative Program

## STATE Initiatives to Sponsor

### Topic: Standards of Conduct

**Issue:** In Lake County, there are over 70 boards, commissions, and other special purpose units of government ranging from drainage and fire districts, to the transportation service boards, affordable housing commission and board of review. Accordingly, the Lake County Board Chairman and/or County Board, by statute, appoint over 300 volunteers to these bodies with no statutory authority over the day to day operations. Furthermore, if there is an instance of misconduct, the County Board Chairman and/or County Board do not always have the authority to remove appointees.

In order to hold these bodies accountable, the Lake County Board Chairman and County Board passed a Standards of Conduct plan in September 2013 that requires the appointees to follow standards that fall into five key areas: accountability, fiscal responsibility, transparency, efficiency, and ethics.

Under this plan, the boards will be required to sign a certificate acknowledging they agree to follow the Standards of Conduct. Some examples of requirements include: requiring boards to follow fiscal conservative budgeting by adhering to best practices, operating in a transparent manner, as well as striving to decrease costs and increase efficiency. Signing the certificate is required in order to sever on a board or commission. Furthermore, the plan also requires appointees to follow the county board's ethics policy, pursuant to Illinois Public Act 097-0084.

**Recommendation: Sponsor** legislation for permissive authority to allow an appointing authority to remove an appointee if there is a violation of county approved standards of conduct.

- Lake County can carry out the removal of an appointee for malfeasance or good cause.
- A hearing process would be established if removal was sought.
- Lake County is able to uphold the Standards of Conduct plan.
- Lake County can ensure transparency, responsibility and accountability of these bodies.
- Lake County is able to ensure public trust.

## FY 2014 State and Federal Legislative Program

### STATE Initiatives to Sponsor

#### Topic: Recovery of Outstanding Liens

**Issue:** Under the current Illinois Property Tax Code (35 ILCS 200/22-35), if a municipality has expended funds on a property within its jurisdiction for “police and welfare power” purposes, the purchaser or assignee of such a property cannot obtain the property’s tax deed until the municipality has been reimbursed in full for its expenses. Municipalities are able to use this statute to secure reimbursement for demolition expenses. An example of a need to exercise such a power is if a municipality has to demolish a structure that is a hazard to a community on private property. However, this power is not given to counties by law and it delays reimbursement for outstanding liens for structures demolished within the unincorporated area.

Through Lake County’s Demolition Program, delays in reimbursement for liens can take years to recover. To date, Lake County has accumulated \$135,000 in outstanding liens and continues to accumulate an average of \$10,000 in new liens per year. Without the same rights municipalities have under the Property Tax Code, Lake County’s outstanding debt owed on demolition liens will continue to grow over time despite the ownership transfer of properties in the demolition program.

**Recommendation:** Sponsor a change in state legislation, consistent with municipal rights, to require that purchasers or assignees make reimbursement to counties for demolition liens before issuance of a tax deed.

- Lake County would be able to recover expenses incurred in demolishing dilapidated structures in the unincorporated area.
- Overall taxpayer burden in assuming expenses associated with demolition would be reduced.
- Expenses would be assumed by the purchaser or assignee of the lien property.

# FY 2014 State and Federal Legislative Program

## STATE Initiatives to Sponsor

### Topic: Administrative Adjudication

**Issue:** Currently under Illinois law, both county and municipalities have an administrative adjudication process that provides for the issuance of fines following a finding of defendant liability. It is common for defendants to default on payment of fines thus necessitating the use of a 3rd party collections process.

Under the Municipal Code (65 ILCS 5/1-2-1), the cost of collecting fines can directly be charged to the defaulting party which avoids any collections delay and additional administrative expense to the municipal jurisdiction. However, counties do not have a streamlined process for collecting fines under the Counties Code (“Administrative Adjudication – Specified Counties”; 55 ILCS 5/5-43035 (c)). In order to recover the full amount of debt owed by a defendant, counties (including Lake) must fix a judgment through an additional administrative adjudication hearing or in the circuit court for collection costs already incurred before charging such costs to the defendant. This necessitates both the pre-payment by the county of such costs out of the debt collected, additional notice to the defendant and a determination by a hearing officer, or circuit court to fix the costs.

Through their authority, municipalities avoid delay of administrative process and additional expense because the collection agency may directly collect their fee from the defendant in the absence of further process. In the absence of having the same authority, counties must incur additional administrative expense. It is estimated that Lake County will forego \$33,000 out of its total 3rd party-collected debt per year based on its current administrative adjudication caseload if it chooses to avoid the delay and additional expenses of a determination by a hearing officer, or circuit court and authorize a 3rd party collections agency to take its fee out of the debt collected.

**Recommendation: Sponsor** a change in state legislation to obtain the county equivalent of municipal authority under the administrative adjudication provisions of the Counties Code (“Administrative Adjudication – Specified Counties”; 55 ILCS 5/5-43035 (c)).

- Change in statute would have a positive financial impact for Lake County.
- The expedited process of fine collection would eliminate extra administrative costs saving county time and money.
- Relieves taxpayer burden associated with the administrative adjudication process.

# FY 2014 State and Federal Legislative Program

## STATE Initiatives to Sponsor

### Topic: Fox Waterway Public Safety Fee

**Issue:** The Fox Waterway Agency is a regional special unit of local government created by the State of Illinois by statute (615 ILCS 90/7.1) in 1984. The agency specifically manages the waterways of the Chain O'Lakes and the Illinois Fox River and it is funded entirely by user fee sticker sales, grants, and legislative funding. These funds support the Fox Waterway mission of improving and maintaining the Fox River and Chain O'Lakes public waterways for recreational uses, to restore environmental quality, control flooding, promote tourism, and to preserve and enhance the quality of life along the waterway for residents and users.

Despite being a state waterway, the Lake County Sheriff's Marine Patrol Unit, in conjunction with McHenry County, provides a majority of public safety enforcement on the Fox Waterway. Historically, this arrangement was done via an intergovernmental agreement with approximately \$40,000 being paid by the Fox Waterway Agency to offset a small portion of Lake County's costs. Lake County's costs will be \$359,000 in 2014. Lake County is no longer receiving revenue from the Fox Waterway Agency for sticker enforcement and a nominal amount from the issuance of citations.

Of the 3.5 million visitors per year, it is estimated that 40% of all users on the Chain of Lakes are not Lake County residents, meaning that Lake County residents are subsidizing the cost of safety enforcement for out-of-county users. Lake and McHenry Counties have been working diligently with the state to develop a plan to coordinate on waterway enforcement with the Department of Natural Resources (DNR). This has allowed the Sheriff to reduce the Marine Patrols on the Fox Waterway. However, the counties still have significant costs to provide public safety service to the Chain of Lakes waterway each year. The county is requesting the DNR, which is the agency that has primary jurisdiction for public safety on the waterway, assist in reducing the operating costs for the Marine Units via increased coordination of patrols, contributions via State appropriations, and/or permissive authority to initiate a public safety fee.

**Recommendation: Sponsor** an amendment of the statute (615 ILCS 90/7.2) Ch. 19, par. 1209.

- The amendment provides different methods to reduce the operating costs for the Marine Units by 1) having the DNR increase public safety patrols, 2) provide funding via State appropriations, and/or 3) permissive authority to initiate a public safety fee.



## FY 2014 State and Federal Legislative Program

### STATE Initiatives to Support

#### Topic: Property Tax Code

**Issue:** Property tax is a major source of tax revenue for local governments in Illinois. It produces more than three-fourths of their total tax revenue. Some types of governmental units, such as cities, are less dependent on the property tax than other units, such as school districts, which have no other powers.

HB 189 was introduced during the 2013 Illinois State Legislative session amending the Property Tax Code. This bill provides that rates may be calculated beyond 3 decimal points to allow the extension to be as close to the levy requested as possible.

Many other states provide their local governments with this flexibility. Lake County and many other local governments could benefit from having the authority to set tax rates in this manner. This would better match our tax requests to our needs for a given year. Furthermore, there are no substantial technological challenges for Lake County to make this change. Safeguards can be incorporated in legislation to ensure that allowing more precise tax rate requests for individual funds would still result in an overall levy request that would fit within the limits required under the Property Tax Extension Limitation Law.

**Recommendation: Support** legislation similar to HB 189 that amend the Property Tax Code. It should be noted that HB 189 earned substantial support, passing the House and Senate but not reaching agreement regarding House and Senate amendments.

## FY 2014 State and Federal Legislative Program

### STATE Initiatives to Support

#### Topic: Department of Commerce & Economic Opportunity 5-Year Economic Development Plan

**Issue:** Public Act 098-0397 was signed into law in August 2013 and requires the Department of Commerce & Economic Opportunity (DCEO) to develop a 5 year Economic Development Plan. The plan will set specific, measureable, attainable, relevant, and time-sensitive goals and will include a focus on areas of high unemployment or poverty. Further, the plan will be based on relevant economic data, focus on job creation, workforce development, our business environment, poverty reduction, regional needs, and business attraction, among others.

This plan is set for development by July 1, 2014 by DCEO and will be submitted to the Governor and General Assembly. The plan and the corresponding modifications will be published and made available to the public. The plan will be reviewed and modified annually and shall be completely redrafted every five years.

The Act also calls for the creation of an Illinois Business Development Council. This 12 member Board shall be responsible for development of a business development and marketing plan for the State and shall make recommendations for developing investment tools to aid business attraction and retention.

**Recommendation: Support** Public Act 098-0397 with the intent that Lake County Workforce Development and the Lake County Investment Board have active participation in the development of this plan. It is important for workforce departments and boards to be a stakeholder in the development of the plan and the activities of the Illinois Business Development Council as they have a large role in local business development, training a sustainable workforce, and job creation and retention.

## FY 2014 State and Federal Legislative Program

### FEDERAL Initiatives to Sponsor

#### Topic: Incumbent Worker Training

**Issue:** The Incumbent Worker Training (IWT) program helps local employers develop and implement training programs for current employees who need intensive services in order to retain employment. IWT provides employers with a means of working with their current employees who need to improve their skills in order to avoid being laid off from an employer which is at risk of downsizing or closing.

The United States Department of Labor (USDOL) allows states to request a waiver to allow the use of a portion of local Workforce Investment Act (WIA) funds to permit local areas to conduct Incumbent Worker Training. As part of the 2009-2011 Strategic State Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act, DCEO renewed the incumbent worker waiver from USDOL to align workforce and economic development programs. The waiver authority allows Local Workforce Investment Areas to transfer up to ten percent of their Dislocated Worker formula allocation to support IWT programs.

According to USDOL, IWT must be part of a layoff aversion strategy. To be eligible for IWT program funds an employer/business must document: that in order to avert future layoffs, a plant closure or business failures, current employees must be provided training for new processes or equipment; the business circumstances surrounding the probable layoff and how training will prevent the layoff or reduce the magnitude of a large layoff; and/or the specific skills to be provided to the workers to help avert the layoff.

The requirement for a business to identify a layoff aversion risk factor and provide administrative documentation does not allow for a comprehensive workforce development and economic development strategy to meet ongoing demands of local businesses/companies to advance a competitive workforce and make available entry level jobs for new hires.

**Recommendation: Sponsor** a legislative change in the current WIA program to give the option of using Local Workforce Development Area funds for Incumbent Worker Development Training as part of an economic development and/or business retention strategy. Funds should be made available to assist strengthening the local workforce system and promoting local businesses in partnership with local workforce departments. This will help maintain a competitive economy and promote economic growth by helping businesses solve workforce challenges which include the need to continuously upgrade worker skills, reduce high turnover and also create entry level job opportunities by upgrading the skills of current employees.

# FY 2014 State and Federal Legislative Program

## FEDERAL Initiatives to Support

### Topic: Workforce Investment Act Reauthorization

Due to the protracted economic recovery and the number of unemployed individuals in Lake County, the services made available through the Workforce Development Department and the Workforce Investment Board provide much needed support for individuals and businesses. The people who make use of the Lake County Job Centers' services and programs encompass a variety of individuals from those with little education or connection to the workforce to professionals with advanced degrees including lawyers and engineers. Programs offered through the Lake County Job Centers consist of working with local business to recruit personnel, training and education for the unemployed, financial services for local businesses, youth services (including the summer employment program) and support during layoffs. From January 2013 to September 2013 32,405 Unemployment Insurance Claims were filed in Lake County. Also to date in 2013, over 18,400 individuals used the Waukegan and Grayslake Job Center's computers, workshops and resume services.

**Issue:** The budget for the Lake County Workforce Investment Board and the Lake County Workforce Development Department (WDD) is supported entirely by federal funds made available under the Workforce Investment Act (WIA). Should Congress not reauthorize WIA or annually appropriate workforce development funding, then all services provided would be terminated pursuant to County Board policy. Due to the challenges of the economic recovery, and on-going layoffs in Lake County and the region, demand for Job Centers' services remains strong. WIA represents the nation's largest public investment in workforce development as a single program or funding stream. When enacted in August 1998, unemployment rate was 4.5%. The WIA program was implemented in 2000 with approximately \$3.2 billion in funding. In August 2013, the nation's unemployment rate was 7.3% and funding for the current program year is \$2.7 billion.

**Recommendation:** **Support** the federal Workforce Investment Act (WIA) which was enacted in 1998 with an original five-year lifespan. Since 2004, Congress has passed one (1) year continuances. It is vitally important that Congress pass WIA Reauthorization to ensure continuance of the federal funds made available for retraining and education efforts. Reauthorization of the Workforce Investment Act is being supported nationally by workforce board, workforce development and educational associations including the National Association of Workforce Boards, the National Workforce Alliance and the Community College Association. It is further supported by the Illinois Workforce Partnership and the Chicago Jobs Council. Locally, the Lake County Workforce Investment Board has supported reauthorization efforts.