



# Illinois General Assembly

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## Illinois Compiled Statutes

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(65 ILCS 5/11-10-2) (from Ch. 24, par. 11-10-2)

Sec. 11-10-2. (a) A foreign fire insurance board shall be created by and among the sworn members of the fire department of each municipality with fewer than 500,000 inhabitants that has an organized fire department. The board shall consist of 7 trustees; the fire chief, who shall hold office by virtue of rank, and 6 members, who shall be elected at large by the sworn members of the department. If there is an insufficient number of candidates to fill all these positions, the number of board members may be reduced, but not to fewer than 3 trustees. All sworn members of the department shall be eligible to be elected as officers of the foreign fire insurance board. The members of this board shall annually elect officers. These officers shall be a chairman, a treasurer, and any other officers deemed necessary by the board. The members of the foreign fire insurance board shall make all needful rules and regulations with respect to the foreign fire insurance board and the management of the funds to be paid to the board. The foreign fire insurance board may establish, manage, and maintain an account for the holding and expenditure of all funds paid to the board. The foreign fire insurance board may contract for the purchase of goods and services using funds paid to the board. Contracting for services includes, but is not limited to, the procurement and payment of all accounting, legal, collection, or other professional services deemed by the board to be necessary to the execution of its duties under this Division using funds paid to the board. The foreign fire insurance board may sue all parties necessary to enforce its rights under this Section. The officers of the foreign fire insurance board shall develop and maintain a listing of those items that the board feels are appropriate expenditures under this Act. The treasurer of the foreign fire insurance board shall receive the funds paid as provided in Section 1 and shall pay out the funds upon the order of the foreign fire insurance board for the maintenance, use, and benefit of the department or as otherwise permitted by this Division. These funds shall be audited to verify that the funds have been expended by that board only for the maintenance, use, and benefit of the department using funds paid to the board. Contracting for services includes, but is not limited to, the procurement and payment of all accounting, legal, collection, or other professional services deemed by the board to be necessary

to the execution of its duties under this Division using funds paid to the board.

Disputes between a fire chief and the remaining members of a foreign fire insurance board concerning whether any expenditure of funds by the board is for the maintenance, use, or benefit of the department or for any other purpose authorized by this Division shall be resolved through binding arbitration, pursuant to a written arbitration agreement established by the foreign fire insurance board, that is recognized under the Uniform Arbitration Act. Arbitrations held pursuant to a written arbitration agreement are the exclusive remedy available for resolving such disputes.

(b) As used in this subsection, "active member" means a member of the Chicago Fire Department who is not receiving a disability pension, retired, or a deferred pensioner of the Firemen's Annuity and Benefit Fund of Chicago.

A department foreign fire insurance board is created within the Chicago Fire Department. The board shall consist of 7 trustees who shall be initially elected on or before January 1, 2019: the fire commissioner, who shall hold office by virtue of rank, and 6 elected trustees, who shall be elected at large by the sworn members of the department. If there is an insufficient number of candidates seeking election to each vacant trustee position, the number of board members is reduced to 5 trustees, including the fire commissioner of the department, until the next election cycle when there are enough active members seeking election to fill all 7 member seats. All active members are eligible to be elected as trustees of the department foreign fire insurance board. Of the trustees first elected, 3 trustees shall be elected to a 2-year term and 3 trustees shall be elected to a 3-year term. After the initial election, a trustee shall be elected for a term of 3 years. If a member of the board resigns, is removed, or is unable to continue serving on the board, the vacancy shall be filled by special election of the active members or, in the case of a vacancy that will exist for fewer than 180 days until the term expires, by appointment by majority vote of the members of the board.

The members of the board shall annually elect officers. These officers shall be a chairman, treasurer, and secretary. The trustees of the board shall make rules and regulations with respect to the board and the management of the money appropriated to the board. The officers of the board shall develop and maintain a listing of those items that the board believes are appropriate expenditures under this subsection. The treasurer of the board shall give a sufficient bond to the City of Chicago. The cost of the bond shall be paid out of the moneys in the board's fund. The bond shall be conditioned upon the faithful performance by the treasurer of his or her duties under the rules and regulations provided for in this subsection. The treasurer of the board shall receive the appropriated proceeds and shall disburse the proceeds upon the order of the board for the maintenance, use, and benefit of the department consistent with this subsection. As part of the annual municipal audit, these funds shall be audited to verify that the funds have been expended lawfully by the board consistent with this subsection.

Within 30 days after receipt of any foreign fire insurance proceeds by the City of Chicago, the City of Chicago shall transfer the proceeds to the board by depositing the proceeds into an account determined by the board, except that if the effective date of this amendatory Act of the 100th General Assembly is after July 31, 2018, then the City of Chicago shall, for budget year 2019 only, transfer only 50% of the proceeds to the board. Notwithstanding any other provision of law: 50% of the foreign fire insurance proceeds received by the board shall be used for the maintenance, use, benefit, or enhancement of

fire stations or training facilities used by the active members of the fire department; 25% of the foreign fire insurance proceeds received by the board shall be used for the maintenance, use, benefit, or enhancement of emergency response vehicles, tools, and equipment used by the active members of the department; and 25% of the foreign fire insurance proceeds received by the board shall be used for the maintenance and enhancement of the department and for the use and benefit of the active members of the department in a manner otherwise consistent with this subsection. Foreign fire insurance proceeds may not be used to purchase, maintain, or enhance personal property of a member of the department, except for personal property used in the performance of his or her duties or training activities.

(c) The provisions of this Section shall be the exclusive power of the State, pursuant to subsection (h) of Section 6 of Article VII of the Constitution.

(Source: P.A. 102-740, eff. 1-1-23.)

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