1

AN ACT concerning local government.

2 Be it enacted by the People of the State of Illinois, 3 represented in the General Assembly:

Section 5. The Electricity Infrastructure Maintenance Fee
Law is amended by changing Section 5-5 and by adding Section
5-10 as follows:

7 (35 ILCS 645/5-5)

8 Sec. 5-5. Municipal electricity infrastructure maintenance9 fee.

(a) Any municipality that on the effective date of this Law 10 11 had in effect a franchise agreement with an electricity deliverer may impose an infrastructure maintenance fee upon 12 13 electricity deliverers, as compensation for granting 14 electricity deliverers the privilege of using public rights of way, in an amount specified in subsection (b) of this Section. 15 16 If more than one electricity deliverer is responsible for the 17 delivery of the same electricity to the same consumer, the fee related to that electricity shall be imposed upon 18 the 19 electricity deliverer who last physically uses the public way 20 for delivery of that electricity prior to its consumption.

(b) (1) In municipalities with a population greater than 500,000, the amount of the infrastructure maintenance fee imposed under this Section shall not exceed the following SB2612 Engrossed - 2 - LRB096 13422 RLJ 28151 b

1 maximum rates for kilowatt-hours delivered within the 2 municipality to each purchaser:

3 4 (i) For the first 2,000 kilowatt-hours of electricityused or consumed in a month: 0.53 cents per kilowatt-hour;

5 (ii) For the next 48,000 kilowatt-hours of electricity 6 used or consumed in a month: 0.35 cents per kilowatt-hour;

7 (iii) For the next 50,000 kilowatt-hours of 8 electricity used or consumed in a month: 0.31 cents per 9 kilowatt-hour;

10 (iv) For the next 400,000 kilowatt-hours of 11 electricity used or consumed in a month: 0.305 cents per 12 kilowatt-hour;

(v) For the next 500,000 kilowatt-hours of electricity
used or consumed in a month: 0.30 cents per kilowatt-hour;

15 (vi) For the next 2,000,000 kilowatt-hours of 16 electricity used or consumed in a month: 0.28 cents per 17 kilowatt-hour;

18 (vii) For the next 2,000,000 kilowatt-hours of 19 electricity used or consumed in a month: 0.275 cents per 20 kilowatt-hour;

21 (viii) For the next 5,000,000 kilowatt-hours of 22 electricity used or consumed in a month: 0.27 cents per 23 kilowatt-hour;

(ix) For the next 10,000,000 kilowatt-hours used or
 consumed in a month: 0.265 cents per kilowatt-hour;

26 (x) For all kilowatt-hours of electricity in excess of

SB2612 Engrossed - 3 - LRB096 13422 RLJ 28151 b

20,

1

2

20,000,000 kilowatt-hours used or consumed in a month: 0.26 cents per kilowatt-hour.

(2) In municipalities with a population of 500,000 or less, 3 the amount of the infrastructure maintenance fee imposed under 4 5 this Section shall be imposed based on the kilowatt-hour categories set forth above and shall be calculated on a monthly 6 7 basis for kilowatt-hours of electricity delivered to each 8 purchaser; provided, that if, immediately prior to imposing an 9 infrastructure maintenance fee, such municipality receives 10 franchise fees, permit fees, free electrical service, or other 11 forms of compensation pursuant to an existing franchise 12 agreement, the rates established for these kilowatt-hour 13 categories for such infrastructure maintenance fee during the 14 term of the franchise agreement shall not exceed rates 15 reasonably calculated, at the time such infrastructure 16 maintenance fee is initially imposed, to generate an amount of 17 revenue equivalent to the value of the compensation received or provided under the franchise agreement. 18

19 (3) Notwithstanding any other provision of this subsection 20 (b), a fee shall not be imposed if and to the extent that 21 imposition or collection of the fee would violate the 22 Constitution or statutes of the United States or the statutes 23 or Constitution of the State of Illinois.

(c) Any electricity deliverer may collect the amount of a
 fee imposed under this Section from the purchaser using or
 consuming the electricity with respect to which the fee was

SB2612 Engrossed - 4 - LRB096 13422 RLJ 28151 b

imposed. The fee may be collected by the electricity deliverer 1 from the purchaser as a separately stated charge on the 2 3 purchaser's bills or in any other manner permitted from time to time by law or by the electricity deliverer's tariffs. The 4 5 electricity deliverer shall be allowed credit for any portion 6 of the fee related to deliveries of electricity the charges for which are written off as uncollectible, provided, that if such 7 8 charges are thereafter collected, the electricity deliverer 9 shall be obligated to pay such fee. For purposes of this 10 Section, any partial payment not specifically identified by the 11 purchaser shall be deemed to be for the delivery of 12 electricity. No ordinance imposing the fee authorized by this 13 Section with respect to the kilowatt-hours delivered to non-residential customers shall be effective until October 1, 14 15 1999. For purposes of this Law, the period of time from the 16 effective date of this Law through and including September 30, 17 1999 shall be referred to as the "Initial Period."

between the electricity deliverer and 18 (d) As the 19 municipality, the fee authorized by this Section shall be collected, enforced, and administered by the municipality 20 imposing the fee. Any municipality adopting an ordinance 21 22 imposing an infrastructure maintenance fee under this Law shall 23 give written notice to each electricity deliverer subject to the fee not less than 60 days prior to the date the fee is 24 25 imposed.

26

(e) A municipality may not impose, under (i) any ordinance

SB2612 Engrossed - 5 - LRB096 13422 RLJ 28151 b

1 imposing an infrastructure maintenance fee under this Law or 2 (ii) its franchise agreement with the electricity deliverer, 3 any penalty with respect to the infrastructure maintenance fees 4 permitted under this Law, except as that penalty would be 5 permitted under Sections 50, 55, and 60 of the Local Government 6 Taxpayers' Bill of Rights Act if the word "fee" were substituted for the word "tax" each time it appears in those 7 Sections (except where the word tax appears immediately before 8 9 the word "administrator").

10 (Source: P.A. 90-561, eff. 8-1-98.)

11	(35 ILCS 645/5-10 new)
12	Sec. 5-10. Municipal tax review; requests for information.
13	(a) A municipality may conduct an audit of fees under this
14	Act to determine the accuracy of the fees paid by an
15	electricity deliverer.
16	(b) Not more than once every 2 years, a municipality that
17	has imposed a fee under this Law may, subject to the
18	limitations and protections stated in Section 16-122 of the
19	Public Utilities Act, request any information from an
20	electricity deliverer that the municipality reasonably
21	requires in order to perform an audit under subsection (a). The
22	information that may be requested by the municipality includes,
23	without limitation:
24	(1) in an electronic format, the database used by the
25	electricity deliverer to determine the amount due to the

SB2612 Engrossed - 6 - LRB096 13422 RLJ 28151 b

1	municipality; provided, however, that, if the municipality
2	has requested customer-specific billing, usage, and load
3	shape data from an electricity deliverer that is an
4	electric utility and has not provided the electric utility
5	with the verifiable authorization required by Section
6	16-122 of the Public Utilities Act, then the electric
7	utility shall remove from the database all
8	customer-specific billing, usage, and load shape data
9	before providing it to the municipality; and

10 (2) in a format used by the public utility in the 11 ordinary course of its business, summary data, as needed by 12 the municipality, to determine the unit consumption by 13 providing the gross kilowatt-hours or other units of 14 measurement subject to the fee imposed by this Law within 15 the municipal jurisdiction.

16 (c) Each electricity deliverer must provide the 17 information requested under subsection (b) within:

18	(1) 60 days after the date of the request if the
19	population of the requesting municipality is 500,000 or
20	less; or
21	(2) 90 days after the date of the request if the
22	population of the requesting municipality exceeds 500,000.

23 <u>The time in which an electricity deliverer must provide the</u> 24 <u>information requested under subsection (b) may be extended by</u> 25 <u>an agreement between the municipality and the electricity</u> 26 <u>deliverer. If an electricity deliverer receives</u>, during a SB2612 Engrossed - 7 - LRB096 13422 RLJ 28151 b

1	single month, information requests from more than 2
2	municipalities, or the aggregate population of the requesting
3	municipalities is 100,000 customers or more, the electricity
4	deliverer is entitled to an additional 30 days to respond to
5	those requests.
6	(d) If an audit by the municipality or its agents finds an
7	error by the electricity deliverer in the amount of fees paid
8	by the electricity deliverer, then the municipality must notify
9	the electricity deliverer of the error. Any such notice must be
10	made by the municipality no later than 4 years after the date
11	the fee required to be paid under this Law was due or any
12	lesser period of time that may be specified in the municipal
13	ordinance imposing the fee. Upon such a notice, the electricity
14	deliverer must submit a written response within 60 days after
15	the date the notice was postmarked stating that it has
16	corrected the error or stating the reason that the error is
17	inapplicable or inaccurate. The municipality then has 60 days
18	after the receipt of the electricity deliverer's response to
19	review and contest the conclusion of the electricity deliverer.
20	If the parties are unable to agree on the disposition of the
21	audit findings within 120 days after the notification of the
22	error to the electricity deliverer, then either party may
23	submit the matter to mediation. Selection of the mediator shall
24	be by mutual agreement. If the mediation does not produce a
25	satisfactory result, then either party may pursue the alleged
26	error in a court of competent jurisdiction.

SB2612 Engrossed - 8 - LRB096 13422 RLJ 28151 b

1	(e) Electricity deliverers and municipalities are not
2	liable for any error in past collections and payments that was
3	unknown to either the electricity deliverer or the municipality
4	prior to the audit process unless the error was due to gross
5	negligence in the collection or processing of required data.
6	If, however, an error in past collections or payments resulted
7	in a customer, who should not have owed a fee to any
8	municipality, having paid a fee to a municipality, then the
9	customer may, to the extent allowed by Section 9-252 of the
10	Public Utilities Act, recover the fee from the electricity
11	deliverer, and any amount so paid by the electricity deliverer
12	may be deducted by that electricity deliverer from any fees or
13	taxes then or thereafter owed by the electricity deliverer to
14	that municipality.
15	(f) All account specific information provided by an
16	electricity deliverer under this Section may be used only for
17	the purpose of an audit of fees conducted under this Section

and the enforcement of any related claim. All such information 19 must be held in strict confidence by the municipality and its 20 agents and may not be disclosed to the public under the Freedom 21 of Information Act or under any other similar statutes allowing 22 for or requiring public disclosure.

18

Section 10. The Local Government Taxpayers' Bill of Rights 23 24 Act is amended by changing Sections 10 and 35 as follows:

SB2612 Engrossed - 9 - LRB096 13422 RLJ 28151 b

1 (50 ILCS 45/10)

Sec. 10. Application and home rule preemption. The limitations provided by this Act shall take precedence over any provision of any tax ordinance imposed by a unit of local government, as defined in this Act, in Illinois, including without limitation any tax authorized under Section 8-11-2 of the Illinois Municipal Code.

8 Consistent with the limitations provided by this Act, a 9 municipality may not impose, under (i) any ordinance imposing a 10 tax authorized by Section 8-11-2 of the Illinois Municipal Code 11 or (ii) its franchise agreement with a public utility, any 12 penalty with respect to a tax authorized by Section 8-11-2 of 13 the Illinois Municipal Code or with respect to an audit 14 authorized by Section 8-11-2.5 of the Illinois Municipal Code, except as specified in Sections 50, 55, and 60 of this Act. For 15 16 purposes of this Section, a penalty includes, without 17 limitation, (i) fines, assessments, forfeitures, fees, or other similar charges, (ii) liens or encumbrances on property 18 of a public utility, (iii) a revocation or modification of any 19 20 existing license, permit, right, or franchise of a public 21 utility, and (iv) a refusal to renew or grant any license, 22 permit, right, or franchise to a public utility except on the 23 condition that the public utility agrees to any penalty.

This Act is a denial and limitation of home rule powers and functions under subsection (g) of Section 6 of Article VII of the Illinois Constitution. SB2612 Engrossed - 10 - LRB096 13422 RLJ 28151 b

1 (Source: P.A. 91-920, eff. 1-1-01.)

(50 ILCS 45/35)

2

3 Sec. 35. Audit procedures. Taxpayers have the right to be 4 treated by officers, employees, and agents of the local tax 5 administrator with courtesy, fairness, uniformity, 6 consistency, and common sense. This Section applies to any 7 audit of a tax imposed by a unit of local government, except to 8 the extent otherwise provided in Section 8-11-2.5 of the 9 Illinois Municipal Code. Taxpayers must be notified in writing 10 by the local jurisdiction of a proposed audit of the taxpayer's 11 books and records clearly identifying who will be conducting 12 the audit. For audits being conducted by third-party providers, 13 the local jurisdiction must provide written authorization for the third-party provider to review the books and records of the 14 15 taxpayer. No contact may be made by the third-party provider 16 until the local-jurisdiction authorization is received by the taxpayer. The notice of audit must specify the tax and time 17 period to be audited and must detail the minimum documentation 18 or books and records to be made available to the auditor. 19 Audits must be held only during reasonable times of the day 20 21 and, unless impracticable, at times agreed to by the taxpayer. 22 The auditor must sign a confidentiality agreement upon request 23 by the taxpayer, and the taxpayer may require that an audit be conducted at the taxpayer's place of books and records. Upon 24 the completion of the audit, the local jurisdiction must issue 25

SB2612 Engrossed - 11 - LRB096 13422 RLJ 28151 b

an audit closure report to the taxpayer with the results of the 1 2 audit. An auditor who determines that there has been an 3 overpayment of tax during the course of the audit is obligated to identify the overpayment to the taxpayer so that 4 the 5 taxpayer can take the necessary steps to recover the 6 the overpayment is the result overpayment. If of the application of some or all of the taxpayer's tax payment to an 7 8 incorrect local government entity, the auditor must notify the 9 correct local government entity of the taxpayer's application 10 error.

11 (Source: P.A. 91-920, eff. 1-1-01.)

Section 15. The Counties Code is amended by adding Section 5-1095.1 as follows:

14 (55 ILCS 5/5-1095.1 new)

15 <u>Sec. 5-1095.1. County franchise fee review; requests for</u> 16 <u>information.</u>

17 (a) If pursuant to its franchise agreement with a community antenna television system (CATV) operator, a county imposes a 18 19 franchise fee authorized by 47 U.S.C. 542, then the county may 20 conduct an audit of that CATV operator's gross revenues derived 21 from the provision of video services to subscribers within the 22 franchise area to determine whether the amount of franchise 23 fees paid by that CATV operator to the county was accurate. 24 (b) Not more than once every 2 years, a county that has

SB2612 Engrossed - 12 - LRB096 13422 RLJ 28151 b

imposed a franchise fee authorized by 47 U.S.C. 542 may, 1 2 subject to the limitations and protections stated in the Local Government Taxpayers' Bill of Rights Act, request information 3 from the CATV operator in the format maintained by the CATV 4 5 operator in the ordinary course of its business that the county reasonably requires in order to perform an audit under 6 7 subsection (a). The information that may be requested by the 8 county shall be limited to the following:

9 <u>(1) in an electronic format used by the CATV operator</u> 10 <u>in the ordinary course of its business, the database used</u> 11 <u>by the CATV operator to determine the amount of the</u> 12 <u>franchise fee due to the county; and</u>

13 (2) in a format used by the CATV operator in the 14 ordinary course of its business, summary data, as needed by 15 the county, to determine the CATV operator's gross revenues 16 derived from the provision of video services to subscribers 17 within the CATV operator's franchise area.

18 (c) The CATV operator must provide the information 19 requested under subsection (b) within:

20 (1) 60 days after the receipt of the request if the
21 population of the requesting county is 500,000 or less; or
22 (2) 90 days after the receipt of the request if the
23 population of the requesting county exceeds 500,000.
24 The time in which a CATV operator must provide the
25 information requested under subsection (b) may be extended by
26 an agreement between the county and the CATV operator.

SB2612 Engrossed - 13 - LRB096 13422 RLJ 28151 b

1	(d) If an audit by the county or its agents finds an error
2	by the CATV operator in the amount of the franchise fees paid
3	by the CATV operator to the county, then the county may notify
4	the CATV operator of the error. Any such notice must be given
5	to the CATV operator by the county within 90 days after the
6	county discovers the error, and no later than 4 years after the
7	date the franchise fee was due. Upon such a notice, the CATV
8	<u>operator must submit a written response within 60 days after</u>
9	receipt of the notice stating that the CATV operator has
10	corrected the error on a prospective basis or stating the
11	reason that the error is inapplicable or inaccurate. The county
12	then has 60 days after the receipt of the CATV operator's
13	response to review and contest the conclusion of the CATV
14	operator. No legal proceeding to collect a deficiency based
15	upon an alleged error shall be commenced unless within 180 days
16	after the county's notification of the error to the CATV
17	operator the parties are unable to agree on the disposition of
18	the audit findings.
19	(e) No CATV operator is liable for any error in past
20	franchise fee payments that was unknown by the CATV operator
21	prior to the audit process unless (i) the error was due to
22	gross negligence on the part of the CATV operator in the
23	collection or processing of required data and (ii) the county

24 <u>had not failed to respond in writing in a timely manner to any</u> 25 <u>written request of the CATV operator to review and correct</u> 26 <u>information used by the CATV operator to calculate the</u> SB2612 Engrossed - 14 - LRB096 13422 RLJ 28151 b

1 <u>appropriate franchise fees if a diligent review of such</u> 2 <u>information by the county reasonably could have been expected</u> 3 to discover such error.

4 (f) All account specific information provided by a CATV 5 operator under this Section may be used only for the purpose of an audit conducted under this Section and the enforcement of 6 7 any franchise fee delinquent claim. All such information must 8 be held in strict confidence by the county and its agents and 9 may not be disclosed to the public under the Freedom of 10 Information Act or under any other similar statutes allowing 11 for or requiring public disclosure.

12 (g) For the purposes of this Section, "CATV operator" means 13 a person or entity that provides video services under a 14 franchise agreement with a county pursuant to Section 5-1095 of 15 the Counties Code and a holder authorized under Section 21-401 16 of the Cable and Video Competition Law of 2007 as consistent 17 with Section 21-901 of that Law.

18 (h) This Section applies to any cable franchise agreement 19 between a CATV operator and a county in effect on or after the 20 effective date of this amendatory Act of the 96th General 21 Assembly, but only if the operator files a written declaration 22 with the county that the operator elects to have this Section 23 apply.

24 (i) This Section is a denial and limitation of home rule
 25 powers and functions under subsection (h) of Section 6 of
 26 Article VII of the Illinois Constitution.

SB2612 Engrossed - 15 - LRB096 13422 RLJ 28151 b

1	Section 20. The Illinois Municipal Code is amended by
2	adding Sections 8-11-2.5 and 11-42-11.05 as follows:
3	(65 ILCS 5/8-11-2.5 new)
4	Sec. 8-11-2.5. Municipal tax review; requests for
5	information.
6	(a) If a municipality has imposed a tax under Section
7	8-11-2, then the municipality may conduct an audit of tax
8	receipts collected from the public utility that is subject to
9	the tax or that collects the tax from purchasers on behalf of
10	the municipality to determine whether the amount of tax that
11	was paid by the public utility was accurate.
12	(b) Not more than once every 2 years, a municipality that
13	has imposed a tax under this Act may, subject to the
14	limitations and protections stated in Section 16-122 of the
15	Public Utilities Act and in the Local Government Taxpayers'
16	Bill of Rights Act, request any information from a utility in
17	the format maintained by the public utility in the ordinary
18	course of its business that the municipality reasonably
19	requires in order to perform an audit under subsection (a). The
20	information that may be requested by the municipality includes,
21	without limitation:
22	(1) in an electronic format used by the public utility
23	in the ordinary course of its business, the database used
24	by the public utility to determine the amount of tax due to

SB2612 Engrossed - 16 - LRB096 13422 RLJ 28151 b

1	the municipality; provided, however, that, if the
2	municipality has requested customer-specific billing,
3	usage, and load shape data from a public utility that is an
4	electric utility and has not provided the electric utility
5	with the verifiable authorization required by Section
6	16-122 of the Public Utilities Act, then the electric
7	utility shall remove from the database all
8	customer-specific billing, usage, and load shape data
9	before providing it to the municipality; and
1.0	

10 (2) in a format used by the public utility in the 11 ordinary course of its business, summary data, as needed by 12 the municipality, to determine the unit consumption of 13 utility services by providing the gross therms, kilowatts, 14 minutes, or other units of measurement being taxed within 15 the municipal jurisdiction and the gross revenues 16 collected and the associated taxes assessed.

17 (c) Each public utility must provide the information 18 requested under subsection (b) within:

19(1) 60 days after the date of the request if the20population of the requesting municipality is 500,000 or21less; or

(2) 90 days after the date of the request if the population of the requesting municipality exceeds 500,000.
The time in which a public utility must provide the information requested under subsection (b) may be extended by an agreement between the municipality and the public utility. SB2612 Engrossed - 17 - LRB096 13422 RLJ 28151 b

If a public utility receives, during a single month, information requests from more than 2 municipalities, or the aggregate population of the requesting municipalities is 100,000 customers or more, the public utility is entitled to an additional 30 days to respond to those requests.

6 (d) If an audit by the municipality or its agents finds an error by the public utility in the amount of taxes paid by the 7 8 public utility, then the municipality may notify the public 9 utility of the error. Any such notice must made by the municipality no later than 4 years after the date the tax 10 11 required to be paid under this Law was due or any lesser period 12 of time that may be specified in the municipal ordinance imposing the tax. Upon such a notice, the public utility must 13 14 submit a written response within 60 days after the date the notice was postmarked stating that it has corrected the error 15 16 on a prospective basis or stating the reason that the error is 17 inapplicable or inaccurate. The municipality then has 60 days after the receipt of the public utility's response to review 18 19 and contest the conclusion of the public utility. If the 20 parties are unable to agree on the disposition of the audit 21 findings within 120 days after the notification of the error to 22 the public utility, then either party may submit the matter to 23 mediation. Selection of the mediator shall be by mutual 24 agreement. If the mediation does not produce a satisfactory 25 result, then either party may pursue the alleged error in a 26 court of competent jurisdiction.

SB2612 Engrossed - 18 - LRB096 13422 RLJ 28151 b

1	(e) No public utility is liable for any error in past
2	collections and payments that was unknown by it prior to the
3	audit process unless (i) the error was due to gross negligence
4	by the public utility in the collection or processing of
5	required data and (ii) the municipality had not failed to
6	respond in writing on an accurate and timely basis to any
7	written request of the public utility to review and correct
8	information used by the public utility to collect the
9	municipality's tax if a diligent review of such information by
10	the municipality reasonably could have been expected to
11	discover such error. If, however, an error in past collections
12	or payments resulted in a customer, who should not have owed a
13	tax to any municipality, having paid a tax to a municipality,
14	then the customer may, to the extent allowed by Section 9-252
15	of the Public Utilities Act, recover the tax from the public
16	utility, and any amount so paid by the public utility may be
17	deducted by that public utility from any taxes then or
18	thereafter owed by the public utility to that municipality.
19	(f) All account specific information provided by a public
20	utility under this Section may be used only for the purpose of
21	an audit of taxes conducted under this Section and the
22	enforcement of any related tax claim. All such information must
23	be held in strict confidence by the municipality and its agents
24	and may not be disclosed to the public under the Freedom of
25	Information Act or under any other similar statutes allowing
26	for or requiring public disclosure.

1	(65 ILCS 5/11-42-11.05 new)
2	Sec. 11-42-11.05. Municipal franchise fee review; requests
3	for information.
4	(a) If pursuant to its franchise agreement with a community
5	antenna television system (CATV) operator, a municipality
6	imposes a franchise fee authorized by 47 U.S.C. 542, then the
7	municipality may conduct an audit of that CATV operator's gross
8	revenues derived from the provision of video services to
9	subscribers within the franchise area to determine whether the
10	amount of franchise fees paid by that CATV operator to the
11	municipality was accurate.
12	(b) Not more than once every 2 years, a municipality that
13	has imposed a franchise fee authorized by 47 U.S.C. 542 may,
14	subject to the limitations and protections stated in the Local
15	Government Taxpayers' Bill of Rights Act, request information
16	from the CATV operator in the format maintained by the CATV
17	operator in the ordinary course of its business that the
18	municipality reasonably requires in order to perform an audit
19	under subsection (a). The information that may be requested by
20	the municipality shall be limited to the following:
21	(1) in an electronic format used by the CATV operator
22	in the ordinary course of its business, the database used
23	by the CATV operator to determine the amount of the
24	franchise fee due to the municipality; and
25	(2) in a format used by the CATV operator in the

SB2612 Engrossed - 20 - LRB096 13422 RLJ 28151 b

1	ordinary course of its business, summary data, as needed by
2	the municipality, to determine the CATV operator's gross
3	revenues derived from the provision of video services to
4	subscribers within the CATV operator's franchise area.
5	(c) The CATV operator must provide the information
6	requested under subsection (b) within:
7	(1) 60 days after the receipt of the request if the
8	population of the requesting municipality is 500,000 or
9	less; or
10	(2) 90 days after the receipt of the request if the
11	population of the requesting municipality exceeds 500,000.
12	The time in which a CATV operator must provide the
13	information requested under subsection (b) may be extended by
14	an agreement between the municipality and the CATV operator.
15	(d) If an audit by the municipality or its agents finds an
16	error by the CATV operator in the amount of the franchise fees
17	paid by the CATV operator to the municipality, then the
18	municipality may notify the CATV operator of the error. Any
19	such notice must be given to the CATV operator by the
20	municipality within 90 days after the municipality discovers
21	the error, and no later than 4 years after the date the
22	franchise fee was due. Upon such a notice, the CATV operator
23	must submit a written response within 60 days after receipt of
24	the notice stating that the CATV operator has corrected the
25	error on a prospective basis or stating the reason that the
26	error is inapplicable or inaccurate. The municipality then has

SB2612 Engrossed - 21 - LRB096 13422 RLJ 28151 b

1	60 days after the receipt of the CATV operator's response to
2	review and contest the conclusion of the CATV operator. No
3	legal proceeding to collect a deficiency based upon an alleged
4	error shall be commenced unless within 180 days after the
5	municipality's notification of the error to the CATV operator
6	the parties are unable to agree on the disposition of the audit
7	findings.

8 (e) No CATV operator is liable for any error in past 9 franchise fee payments that was unknown by the CATV operator 10 prior to the audit process unless (i) the error was due to 11 gross negligence on the part of the CATV operator in the 12 collection or processing of required data and (ii) the 13 municipality had not failed to respond in writing in a timely 14 manner to any written request of the CATV operator to review and correct information used by the CATV operator to calculate 15 16 the appropriate franchise fees if a diligent review of such 17 information by the municipality reasonably could have been 18 expected to discover such error.

19 (f) All account specific information provided by a CATV 20 operator under this Section may be used only for the purpose of 21 an audit conducted under this Section and the enforcement of 22 any franchise fee delinquent claim. All such information must 23 be held in strict confidence by the municipality and its agents 24 and may not be disclosed to the public under the Freedom of 25 Information Act or under any other similar statutes allowing 26 for or requiring public disclosure.

SB2612 Engrossed - 22 - LRB096 13422 RLJ 28151 b

1	(g) For the purposes of this Section, "CATV operator" means
2	a person or entity that provides video services under a
3	franchise agreement with a municipality pursuant to Section
4	11-42-11 of the Municipal Code and a holder authorized under
5	Section 21-401 of the Cable and Video Competition Law of 2007
6	as consistent with Section 21-901 of that Law.
7	(h) This Section applies to any cable franchise agreement
8	between a CATV operator and a municipality in effect on or
9	after the effective date of this amendatory Act of the 96th
10	General Assembly, but only if the operator files a written
11	declaration with the municipality that the operator elects to
12	have this Section apply.
13	(i) This Section is a denial and limitation of home rule
14	powers and functions under subsection (h) of Section 6 of

15 Article VII of the Illinois Constitution.

Section 99. Effective date. This Act takes effect upon becoming law.