**Section 850.120 Third Party Requirements**

a) *A municipality or county that receives a disbursement of tax proceeds from the Department may contract with a third party for the purpose of ensuring that the municipality or county receives the correct disbursement from the Department and monitoring disbursements. The third party may not contact the Department on behalf of the municipality or county, but instead must work directly with the municipality or county to acquire financial information. A third party may, however, directly access a municipality's or county's financial information that is provided by the Department by electronic means under Section 11 of the Retailers' Occupation Tax Act, provided that the third party meets all other conditions under* Section 5-10 of the Act *for the receipt of financial information. To be eligible to receive financial information from the municipality or county, the third party must:*

1) *enter into a confidentiality agreement with the municipality or county in the form and manner required by the Department prior to receiving the financial information;*

2) *have an existing contract with the municipality or county at the time the third party enters into the confidentiality agreement with the municipality or county; a copy of that existing contract must be on file with the Department;*

3) *abide by the same conditions as the municipality or county with respect to the furnishing of financial information under Section 11 of the Retailers' Occupation Tax Act; and*

4) *be registered with the Department as required by* Section850.130*.* [50 ILCS 355/5-10]

b) *Municipalities and counties may negotiate a fee with third parties.* *This fee may be in the form of a contingency fee for a percentage of the amount of additional distributions the municipality or county receives for no more than 3 years following the first disbursement to the local government resulting from the third party’s services* under the Act. [50 ILCS 355/5-20(b)]

c) The Local Government Revenue Recapture Act prohibits the following persons from becoming registered third parties:

1) *a person who has been convicted of a felony related to financial crimes under any federal or State law, if the Department, after investigation and a hearing if requested by the applicant, determines that the person has not been sufficiently rehabilitated to warrant the public trust, including an individual or any employee, officer, manager, member, partner, or director of an entity that has been convicted as provided in this subsection (1);*

2) *a person, if any employee, contractual employee, officer, manager, or director thereof, or any person or persons owning in the aggregate more than 5% thereof, is employed by or appointed or elected to the corporate authorities of any municipality or county in this State;*

3) *a person, if any employee, contractual employee, officer, manager, or director thereof, or any person or persons owning in the aggregate more than 5% thereof, is not or would not be eligible to receive a certificate of registration under this Act or a license under the Illinois Public Accounting Act for any reason;*

4) *a person who is a family member of any person who is employed by or appointed or elected to the corporate authorities of any municipality or county in the State;*

5) *qualified practitioners*, as defined in Section 850.110;

6) *third parties owned, in whole or in part, by any entity that competes directly or indirectly with any taxpayer whose financial information the third party is seeking or receiving; and*

7) *persons who own in whole or in part, directly or indirectly, any entity that competes, directly or indirectly, with any taxpayer whose financial information the person is seeking or receiving.* [50 ILCS 355/5-35(b)]