



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB6194

by Rep. Richard Morthland - Jerry L. Mitchell

SYNOPSIS AS INTRODUCED:

55 ILCS 5/3-10009	from Ch. 34, par. 3-10009
55 ILCS 5/3-10011	from Ch. 34, par. 3-10011
65 ILCS 5/3.1-35-40	from Ch. 24, par. 3.1-35-40
65 ILCS 5/3.1-35-45	from Ch. 24, par. 3.1-35-45
65 ILCS 5/3.1-35-50	from Ch. 24, par. 3.1-35-50
65 ILCS 5/3.1-35-60	from Ch. 24, par. 3.1-35-60
65 ILCS 5/3.1-35-65	from Ch. 24, par. 3.1-35-65

Amends the Counties Code. In a Section concerning the deposit of public funds, requires a co-signer, in addition to the treasurer, on all municipal accounts. Requires the county board to review certain books of account on a semi-annual basis. Amends the Illinois Municipal Code. Provides that the corporate authorities shall inspect the treasurer's books and accounts on a semi-annual basis. Removes a provision that requires the books and accounts to be subject to inspection at any time by a member of the corporate authorities. In a Section concerning treasurer's reports, requires the corporate authorities to review certain account statements on a monthly basis. Further provides that in addition to the treasurer, a co-signer shall be required on all municipal accounts. Provides that the treasurer shall report to the corporate authorities on a semi-annual basis (now, as often as they require) a full and detailed account of all receipts and expenditures of the municipality. Requires the municipal clerk to provide the corporate authorities with a copy of any annual account. Makes other changes. Effective immediately.

LRB097 21619 PJG 69875 b

1 AN ACT concerning local government.

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

4 Section 5. The Counties Code is amended by changing
5 Sections 3-10009 and 3-10011 as follows:

6 (55 ILCS 5/3-10009) (from Ch. 34, par. 3-10009)

7 Sec. 3-10009. Deposit of public funds.

8 (a) In counties having a population of less than 150,000
9 the county board, ~~when requested by the county treasurer,~~ shall
10 designate one or more banks, savings and loan associations,
11 savings banks, or credit unions in which the funds and other
12 public moneys in the custody of the county treasurer may be
13 kept. In addition to the treasurer, a co-signer shall be
14 required on all county accounts. The co-signer shall be
15 designated by the county board by resolution. When ~~and when~~ a
16 bank, savings and loan association, savings bank, or credit
17 union has been designated as a depository it shall continue as
18 such until 10 days have elapsed after a new depository is
19 designated and has qualified by furnishing the statements of
20 resources and liabilities as is required by this Section. When
21 a new depository is designated, the county board shall notify
22 the sureties of the county treasurer of that fact, in writing,
23 at least 5 days before the transfer of funds. The county

1 treasurer shall be discharged from responsibility for all funds
2 and moneys which he deposits in a depository so designated
3 while such funds and moneys are so deposited.

4 No bank, savings and loan association, savings bank, or
5 credit union shall receive public funds as permitted by this
6 Section, unless it has complied with the requirements
7 established pursuant to Section 6 of "An Act relating to
8 certain investments of public funds by public agencies",
9 approved July 23, 1943, as now or hereafter amended.

10 (b) In addition to any other investments or deposits
11 authorized under this Code, counties are authorized to invest
12 the funds and public moneys in the custody of the County
13 Treasurer in accordance with the Public Funds Investment Act.
14 (Source: P.A. 97-129, eff. 7-14-11.)

15 (55 ILCS 5/3-10011) (from Ch. 34, par. 3-10011)
16 Sec. 3-10011. Inspection of books of account.

17 (a) Said books of account shall be free to the inspection
18 of all persons wishing to examine the same. The county board
19 shall review these books of account on a semi-annual basis.

20 (b) The county treasurer shall make available to the county
21 board any Entity Identification Numbers assigned to the county.
22 The county board shall review the payments made to the county
23 from the State through the Vendor Payments portal on the State
24 Comptroller's website on a semi-annual basis.

25 (Source: P.A. 86-962.)

1 Section 10. The Illinois Municipal Code is amended by
2 changing Sections 3.1-35-40, 3.1-35-45, 3.1-35-50, 3.1-35-60,
3 and 3.1-35-65 as follows:

4 (65 ILCS 5/3.1-35-40) (from Ch. 24, par. 3.1-35-40)

5 Sec. 3.1-35-40. Treasurer; duties.

6 (a) The municipal treasurer shall receive all money
7 belonging to the municipality and shall keep the treasurer's
8 books and accounts in the manner prescribed by ordinance. ~~These~~
9 ~~books and accounts shall always be subject to the inspection of~~
10 ~~any member of the corporate authorities.~~ The corporate
11 authorities shall inspect these books and accounts on a
12 semi-annual basis. The municipality may, however, by ordinance
13 designate a person or institution which, as bond trustee, shall
14 receive from the county collector amounts payable to the
15 municipality as taxes levied pursuant to a bond issuance.

16 (b) The treasurer shall keep a separate account of each
17 fund or appropriation and the debits and credits belonging to
18 the fund or appropriation.

19 (c) The treasurer shall give every person paying money into
20 the treasury a receipt, specifying the date of payment and upon
21 what account paid. The treasurer shall file copies of these
22 receipts with the clerk, with the treasurer's monthly reports.
23 If the treasurer has possession of money properly appropriated
24 to the payment of any warrant lawfully drawn upon the

1 treasurer, the treasurer shall pay the money specified in the
2 warrant to the person designated by the warrant.

3 (d) The municipal treasurer shall make available to the
4 corporate authorities any Entity Identification Numbers
5 assigned to the municipality. The corporate authorities shall
6 review the payments made to the municipality from the State
7 through the Vendor Payments portal on the State Comptroller's
8 website on a semi-annual basis.

9 (Source: P.A. 87-1119.)

10 (65 ILCS 5/3.1-35-45) (from Ch. 24, par. 3.1-35-45)

11 Sec. 3.1-35-45. Treasurer; reports. At the end of every
12 month, and oftener if required by the corporate authorities,
13 the municipal treasurer shall render an account under oath to
14 the corporate authorities, or to an officer designated by
15 ordinance, showing the state of the treasury at the date of the
16 account and the balance of money in the treasury. The treasurer
17 shall accompany the account with a statement of all money
18 received into the treasury and on what account, together with
19 all warrants redeemed and paid by the treasurer. On the day the
20 treasurer renders an account, these warrants, with all vouchers
21 held by the treasurer, shall be delivered to the municipal
22 clerk and filed, together with the account, in the clerk's
23 office. All paid warrants shall be marked "paid". The treasurer
24 shall keep a register of all warrants, which shall describe
25 each warrant, showing its date, amount, and number, the fund

1 from which paid, the name of the person to whom paid, and when
2 paid. The corporate authorities shall review this account
3 statement on a monthly basis after it is filed with the clerk's
4 office.

5 (Source: P.A. 87-1119.)

6 (65 ILCS 5/3.1-35-50) (from Ch. 24, par. 3.1-35-50)

7 Sec. 3.1-35-50. Treasurer; deposit of funds.

8 (a) The municipal treasurer may be required to keep all
9 funds and money in the treasurer's custody belonging to the
10 municipality in places of deposit designated by ordinance. The
11 ~~When requested by the municipal treasurer, the~~ corporate
12 authorities shall designate one or more banks or savings and
13 loan associations in which may be kept the funds and money of
14 the municipality in the custody of the treasurer. In addition
15 to the treasurer, a co-signer shall be required on all
16 municipal accounts. The co-signer shall be designated by the
17 city council or village board by resolution. When a bank or
18 savings and loan association has been designated as a
19 depository, it shall continue as a depository until 10 days
20 have elapsed after a new depository is designated and has
21 qualified by furnishing the statements of resources and
22 liabilities as required by this Section. When a new depository
23 is designated, the corporate authorities shall notify the
24 sureties of the municipal treasurer of that fact in writing at
25 least 5 days before the transfer of funds. The treasurer shall

1 be discharged from responsibility for all funds or money that
2 the treasurer deposits in a designated bank or savings and loan
3 association while the funds and money are so deposited.

4 (b) The municipal treasurer may require any bank or savings
5 and loan association to deposit with the treasurer securities
6 or mortgages that have a market value at least equal to the
7 amount of the funds or moneys of the municipality deposited
8 with the bank or savings and loan association that exceeds the
9 insurance limitation provided by the Federal Deposit Insurance
10 Corporation or the Federal Savings and Loan Insurance
11 Corporation.

12 (c) The municipal treasurer may enter into agreements of
13 any definite or indefinite term regarding the deposit,
14 redeposit, investment, reinvestment, or withdrawal of
15 municipal funds.

16 (d) Notwithstanding any other provision of this Act or any
17 other law, each official custodian of municipal funds,
18 including, without limitation, each municipal treasurer or
19 finance director or each person properly designated as the
20 official custodian for municipal funds, including, without
21 limitation, each person properly designated as official
22 custodian for funds held by an intergovernmental risk
23 management entity, self-insurance pool, waste management
24 agency, or other intergovernmental entity composed solely of
25 participating municipalities, is permitted to:

26 (i) combine moneys from more than one fund of a single

1 municipality, risk management entity, self-insurance pool,
2 or other intergovernmental entity composed solely of
3 participating municipalities for the purpose of investing
4 such moneys;

5 (ii) join with any other official custodians or
6 treasurers of municipal, intergovernmental risk management
7 entity, self-insurance pool, waste management agency, or
8 other intergovernmental entity composed solely of
9 participating municipalities for the purpose of jointly
10 investing the funds of which the official custodians or
11 treasurers have custody; and

12 (iii) enter into agreements of any definite or
13 indefinite term regarding the redeposit, investment, or
14 withdrawal of municipal, risk management entity,
15 self-insurance agency, waste management agency, or other
16 intergovernmental entity funds.

17 When funds are combined for investment purposes as
18 authorized in this Section, the moneys combined for those
19 purposes shall be accounted for separately in all respects, and
20 the earnings from such investment shall be separately and
21 individually computed, recorded, and credited to the fund,
22 municipality, intergovernmental risk management entity,
23 self-insurance pool, waste management agency, or other
24 intergovernmental entity, as the case may be, for which the
25 investment was acquired.

26 Joint investments shall be made only in investments

1 authorized by law for investment of municipal funds. The grant
2 of authority contained in this subsection is cumulative,
3 supplemental, and in addition to all other power or authority
4 granted by any other law and shall not be construed as a
5 limitation of any power and authority otherwise granted.

6 (e) No bank or savings and loan association shall receive
7 public funds as permitted by this Section unless it has
8 complied with the requirements established by Section 6 of the
9 Public Funds Investment Act.

10 (Source: P.A. 89-592, eff. 8-1-96.)

11 (65 ILCS 5/3.1-35-60) (from Ch. 24, par. 3.1-35-60)

12 Sec. 3.1-35-60. Treasurer; receipts and expenditures. The
13 municipal treasurer shall report to the corporate authorities
14 on a semi-annual basis ~~, as often as they require,~~ a full and
15 detailed account of all receipts and expenditures of the
16 municipality, as shown by the treasurer's books, up to the time
17 of the report.

18 (Source: P.A. 87-1119.)

19 (65 ILCS 5/3.1-35-65) (from Ch. 24, par. 3.1-35-65)

20 Sec. 3.1-35-65. Treasurer; annual accounts.

21 (a) Within 6 months after the end of each fiscal year, the
22 treasurer of each municipality having a population of less than
23 500,000, as determined by the last preceding federal census,
24 shall annually prepare and file with the clerk of the

1 municipality an account of moneys received and expenditures
2 incurred during the preceding fiscal year as specified in this
3 Section. The treasurer shall show in the account:

4 (1) All moneys received by the municipality,
5 indicating the total amounts, in the aggregate, received in
6 each account of the municipality, with a general statement
7 concerning the source of receipts. In this paragraph, the
8 term "account" does not mean each individual taxpayer,
9 householder, licensee, utility user, or other persons
10 whose payments to the municipality are credited to a
11 general account.

12 (2) Except as provided in paragraph (3) of this
13 subsection (a), all moneys paid out by the municipality
14 where the total amount paid during the fiscal year exceeds
15 \$2,500 in the aggregate, giving the name of each person to
16 whom moneys were paid and the total paid to each person.

17 (3) All moneys paid out by the municipality as
18 compensation for personal services, giving the name of each
19 person to whom moneys were paid and the total amount paid
20 to each person from each account, except that the treasurer
21 may elect to report the compensation for personal services
22 of all personnel by name, listing each employee in one of
23 the following categories:

24 (A) under \$25,000.00;

25 (B) \$25,000.00 to \$49,999.99;

26 (C) \$50,000.00 to \$74,999.99;

1 (D) \$75,000.00 to \$99,999.99;

2 (E) \$100,000.00 to \$124,999.99; or

3 (F) \$125,000.00 and over.

4 (4) A summary statement of operations for all funds and
5 account groups of the municipality, as excerpted from the
6 annual financial report as filed with the appropriate State
7 agency.

8 (b) Upon receipt of the account from the municipal
9 treasurer, the municipal clerk shall publish the account at
10 least once in one or more newspapers published in the
11 municipality or, if no newspaper is published in the
12 municipality, then in one or more newspapers having a general
13 circulation within the municipality. In municipalities with a
14 population of less than 500 in which no newspaper is published,
15 however, publication may be made by posting a copy of the
16 account in 3 prominent places within the municipality.

17 (c) Upon receipt of the account from the municipal
18 treasurer, the municipal clerk shall provide all corporate
19 authorities with a copy of this account, that they shall be
20 required to review within 30 days.

21 (Source: P.A. 92-354, eff. 8-15-01.)

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