



Rep. Daniel J. Burke

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10000HB0644ham001

LRB100 00378 RJF 22905 a

1 AMENDMENT TO HOUSE BILL 644

2 AMENDMENT NO. _____. Amend House Bill 644 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Municipal Finance Transparency Act.

6 Section 5. Purpose. The purpose of this Act is to establish
7 an alert system, directed by the State Comptroller, to annually
8 identify municipalities that are in or approaching financial
9 distress.

10 Section 10. Definitions. For the purpose of this Act,
11 unless context indicates otherwise:

12 "Municipality" means a city, village, or incorporated
13 town.

14 "Financial distress" means a financial state which may
15 include, but is not limited to, when a municipality is deemed

1 to be in danger of being unable to fund basic services, make
2 principle and interest payments on bonds or notes, make
3 statutorily required pension contributions, or make payroll,
4 according to criteria established by the State Comptroller in
5 consultation with the State Comptroller Local Government
6 Advisory Board.

7 "Financial indicators" means a municipality's reported
8 revenues, expenditures, debt, liabilities, assets, and pension
9 liabilities across all funds and component units derived from
10 audits and financial reports submitted to the State Comptroller
11 or other documents available to the State Comptroller.

12 Section 15. Index system.

13 (a) The State Comptroller shall establish an index system
14 to identify municipalities that are in or approaching financial
15 distress.

16 (b) If any municipality has failed to submit annual audits
17 or financial reports to the State Comptroller as required by
18 law, then the Comptroller shall indicate in the annual index
19 that the municipality is not in compliance.

20 (c) The State Comptroller shall make public the criteria
21 used to determine whether a municipality is in or approaching
22 financial distress.

23 Section 20. Review of audits. The State Comptroller shall
24 review audits and financial reports obtained under the

1 Governmental Account Audit Act or the Illinois Municipal
2 Auditing Law, in addition to any other reports or records the
3 State Comptroller deems relevant, and publish an annual report
4 identifying the fiscal health of municipalities.

5 Section 25. Notice. The State Comptroller shall provide any
6 municipality that will be identified as being in or approaching
7 financial distress advance written notice of such designation,
8 and shall also provide a method by which the municipality may
9 provide additional information that might influence such
10 designation. Nothing in this Section shall be construed as
11 preventing the State Comptroller from identifying a
12 municipality as being in or approaching financial distress.

13 Section 99. Effective date. This Act takes effect one year
14 after becoming law."